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TRADE AND COMMERCE AT U.S. PORTS OF ENTRY

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL TRADE, CUSTOMS, AND GLOBAL COMPETITIVENESS

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

SECOND SESSION

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TRADE AND COMMERCE AT U.S. PORTS OF ENTRY

WEDNESDAY, JULY 18, 2018

U.S. SENATE,
SUBCOMMITTEE ON INTERNATIONAL TRADE,
CUSTOMS, AND GLOBAL COMPETITIVENESS,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 3 p.m., in room SD–215, Dirksen Senate Office Building, Hon. John Cornyn (chairman of the subcommittee) presiding.

Present: Senators Thune, Isakson, Portman, Cantwell, Nelson, Menendez, Carper, and Casey.

Also present: Republican staff: Madison Smith, Legislative Assistant for subcommittee chairman Cornyn. Democratic staff: Livia Shmavonian, Legislative Assistant for subcommittee ranking member Casey.

OPENING STATEMENT OF HON. JOHN CORNYN, A U.S. SENATOR FROM TEXAS, CHAIRMAN, SUBCOMMITTEE ON INTERNATIONAL TRADE, CUSTOMS, AND GLOBAL COMPETITIVENESS, COMMITTEE ON FINANCE

Senator CORNYN. The Senate Committee on Finance Subcommittee on International Trade, Customs, and Global Competitiveness will come to order. Thank you all for being here today. I apologize, as I did to Senator Casey. We obviously had a vote on the floor, so we were delayed but glad to be here.

The topic of today's hearing is trade and commerce at the U.S. ports of entry. It is one that is absolutely vital to my home State of Texas, but I would argue not just to Texas, but to the entire country. We are home to 29 air, land, and sea ports of entry, more than any other State. Included in that list are three of the five busiest land ports of entry and the number one inland port in terms of total volume along the entire U.S.-Mexico border. To put this in perspective, about half of all U.S.-Mexico trade comes through a Texas port of entry.

I am pleased to have Kevin McAleenan with us today, the Commissioner of U.S. Customs and Border Protection. The Commissioner and the Office of Field Operations within Customs and Border Protection are charged with screening goods and travelers at these ports.

We owe a great deal to you, Commissioner, and the men and women who serve at these ports of entry day in and day out. And I hope you will convey to them our appreciation for their service.

Last year, CBP continued to experience remarkable growth in terms of travel and trade. More than 390 million travelers were screened at land, air, and sea ports and nearly $2 trillion worth of imports were processed. The volume of commerce crossing our borders has tripled in the last 25 years. While this continued growth is an overall positive for our economy, we simply will not be able to maintain it without adequately addressing staffing and infrastructure needs.

While it is incumbent on the Federal Government to ensure that CBP has the resources needed to carry out its core functions, Congress must also conduct effective oversight to make sure they are meeting mandates, implementing GAO and OIG recommendations, and operating efficiently. It is concerning to me that as of 2017, despite congressional mandates to hire additional personnel, CBP still has staffing shortages of 2,500 officers. And I know the Commissioner will be prepared to give the explanation for that.

The Government Accountability Office continues to reiterate that the shortage in trade enforcement positions has led to increased wait times, which in some cases could result in shortened vetting processes and security risks, not to mention just the congestion, the air quality issues, and the like. In addition to staffing shortages, CBP officers are required to work in an outdated infrastructure, creating conditions that may affect their ability to expedite inspections and process travelers through high-volume ports.

In 2015, CBP self-reported a study that revealed a need for $5 billion to meet its infrastructure and technology requirements. At the border, antiquated infrastructure often leads to unnecessary delays—as I said—which result also in an overall loss of commerce. In many instances, these delays are translated into costs for an entity that ultimately is passed on to the American consumer. So it is critical we make port of entry infrastructure investment a top priority so that we can adequately staff and fund the ports that make trade possible in the first place.

I am proud to sponsor legislation, now a part of the law, which directly addresses this issue, The Cross-Border Trade Enhancement Act, which codified the reimbursable services program and donations acceptance program. Public-private partnerships are an effective way to give stakeholders and CBP the ability to make improvements to all types of ports while also saving taxpayer dollars. A number of Texas ports of entry, particularly in the land and air space, have already seen the benefits of this program.

I also look forward to discussing today other initiatives, Commissioner, currently undertaken by CBP to ease the burden on trade and travel. Programs like the Customs-Trade Partnership Against Terrorism, the NEXUS/Preclearance Program, the FAST Program, and Global Entry can have big benefits for our national security, for the consumer, and for the traveler. Further programs like these allow CBP officers to focus on higher-risk goods and travelers.

Finally, I look forward to hearing from the Commissioner on implementation of the Trade Facilitation and Trade Enforcement Act, which moved through this committee a couple of years ago. TFTEA, which officially authorized the Office of Field Operations and streamlined a number of trade enforcement and facilitations issues, has the potential to further enhance our Nation's trade policy.

I would now like to recognize the ranking member of the subcommittee, Senator Casey, for any opening statement he would care to make.

[The prepared statement of Senator Cornyn appears in the appendix.]

OPENING STATEMENT OF HON. ROBERT P. CASEY, JR., A U.S. SENATOR FROM PENNSYLVANIA

Senator CASEY. Thanks very much. I want to thank Senator Cornyn for his work and our work together on what has become a series of subcommittee hearings on important matters for national security and our economic security.

Our Customs officers protect both our national and economic security. A secure border must be a priority, and Democrats and Republicans have worked in a bipartisan way to secure $14 billion in funding for Customs and Border Protection, including $1.6 billion for border security. As we work to secure our borders, it is also imperative that our immigration laws are humane and uphold American values. The administration's policy of separating children from their families is an insult to those values. And both parties must insist that families are reunited. The administration must get this done. There is no reason why we cannot develop a border policy that is both humane and protects our national security.

It is also imperative that we ensure the safe and secure flow of commerce and have the appropriate staffing and funding levels to prevent unscrupulous actors and trade cheaters from profiting from the sale of dangerous or illicit goods. It has been 2 years since the enactment of the Trade Facilitation and Trade Enforcement Act, so-called TFTEA, where we worked in a bipartisan way to provide Customs with new and expanded authority to combat child and slave labor, to protect intellectual property, and to combat those attempting to evade our trade laws.

Our Customs officers are on the front lines of this fight, working to prevent pirated goods from harming U.S. businesses, or dangerous fake goods from harming or even killing consumers. Our Customs officers are responsible for an enormous area of responsibility, from interdicting opioids like fentanyl, to illicit goods, adapting to an ever-evolving threat matrix, to our agricultural specialists who protect us from imported pests and disease, and to ensuring that countries like China that cheat on trade cannot circumvent our trade laws.

But our Customs officers are increasingly under strain. Staffing shortages mean that officers are asked to work double shifts, 16-hour days. Some are asked to serve 90-day tours away from their home and families at facilities that are short-staffed. It is impossible for this not to take a toll on an officer's family's home life. Commissioner McAleenan, I know that this is something that is important to you as well. And I appreciate that.

Safeguarding our long-term competitiveness also means making a sustained and coordinated investment in our infrastructure. Trade is not simply about exports to the rest of the world; it is about American-made goods flowing to destinations across our Nation. Our inland waterways are critical to that competitiveness. Our inland waterways provide an economical, environmentally

friendly mode of transportation. From Pittsburgh to Louisville to the Twin Cities to St. Louis, our inland waterways are responsible for shipping billions in American goods throughout our Nation.

Our inland waterway systems served as an economic backbone for our country as we grew and expanded, connecting pioneers with the rest of our country, bringing goods from our landlocked States to the coast. This system remains the lynchpin of our intermodal system. One of the first things you see at the Port of Pittsburgh is the rail lines. They are truly integrated into the American supply chain, connecting businesses and their products to markets across the country. Keeping our waterway infrastructure navigable is critical to competitiveness for the entire Nation.

To serve our growing U.S. markets, we must make the kind of concerted infrastructure investments that our parents had the good sense to provide for us. And we must ensure at the same time that agencies tasked with protecting our Nation have the funding they need to execute their jobs to the fullest.

Mr. Chairman, thank you.

Senator CORNYN. Thank you, Senator Casey.

[The prepared statement of Senator Casey appears in the appendix.]

Senator CORNYN. Commissioner McAleenan, if you have an opening statement, please go ahead. And if you will hold it to about 5 minutes, that will give us plenty of time for some Q&A.

STATEMENT OF HON. KEVIN K. McALEENAN, COMMISSIONER, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY, WASHINGTON, DC

Commissioner MCALEENAN. Chairman Cornyn, Ranking Member Casey, distinguished members of the Subcommittee on Trade, I appreciate the opportunity to appear before you on these important matters today. U.S. Customs and Border Protection protects the people of the United States against dynamic threats while simultaneously facilitating lawful trade, travel, and commerce so vital to our Nation's economy. It is a broad and diverse mission.

Over $4 trillion in international trade moves across our international borders each year—25 million cargo containers via sea, truck, and rail. The volume of packages that arrives via air due to the rise of e-commerce has grown dramatically over the past 5 years. During that time, CBP has seen nearly a 50-percent increase in express shipments, while international mail shipments have increased fourfold from approximately 150 million to 500 million. These shipments, like their containerized counterparts, post potential health and safety risks to the United States and to the American people.

In terms of illicit narcotics, CBP continues to seize increasing levels of methamphetamines, heroine, and synthetic opioids at our ports of entry, both on our southwest border and in the small parcel environment. We continue to confront trade violations from dumping and duty evasion to intellectual property rights to elements of forced labor in our supply chains. CBP is undertaking a multifaceted effort to address these trends. It relies on our human capital, advanced technology and analytics, interagency and international partnerships, and innovative application of our authori-

ties. To pursue these efforts, the men and women of CBP are our greatest asset.

Over the past several years, CBP has faced challenges meeting our hiring goals, but we are taking those challenges head-on, making more than 40 improvements to our hiring process, resulting in significant recruitment and hiring gains despite record-low unemployment around the United States and intense competition for highly qualified, mission-inspired people. We have improved our administration of the polygraph examination, and we are working with the private sector on best practices for digital recruiting, applicant care, and automation to reduce our time to hire.

We have demonstrated the tremendous value of our trade professionals, from import specialists to regulations and rulings attorneys, and the value they provide to the U.S. economy. And we have requested further investments, for which we will guarantee a return in these personnel, in our annual budget requests. We are not yet where we need to be on our staffing, but we are making progress across all categories of CBP professionals required for our critical mission, and hiring and sustaining a world-class workforce will continue to be my top mission support priority for CBP.

Supporting our personnel is an array of technology as part of a multi-layered risk-based approach to target shipments and goods entering our country. For CBP, technology is a force multiplier that helps us work more efficiently with less risk to our front-line personnel. That starts at our national targeting center, where every day we analyze 2 million shipments through advanced systems. Through that intelligence analysis, comprehensive data analytics, anomaly identification, and identified trends of concern, CBP is able to segment out high-risk cargo for additional scrutiny while facilitating the flow of legitimate trade.

In the field at our ports of entry, CBP utilizes nonintrusive inspection technology, or NII, to examine and identify anomalies in shipments or vehicles. These systems enable CBP officers to rapidly examine conveyances such as shipping containers or trucks and privately owned vehicles for presence of contraband. We are investing in new technologies and capabilities using our Laredo field office, encompassing several of our busiest land crossings—as you noted, Mr. Chairman—as a pilot location to continually improve the technology we use to inspect vehicles entering the country.

Forensic analysis is used to inform our targeting, support prosecutions, and gather intelligence to continually refine our enforcement actions. We are expanding that capability to support controlled substances as well as radiological and nuclear materials.

Lastly, infrastructure plays a key role in our ability to detect threats and facilitate trade at our ports of entry. Of our Nation's 328 official ports of entry, 110 are land ports. However, most of these inspection facilities were not built to support post 9/11 security and operational missions, much less the tremendous growth in international trade and travel. CBP continues to request funds to construct and modernize these ports of entry along our northern and southern borders and find innovative approaches to meet the growing need for new and expanded facilities.

A key aspect of CBP's resource optimization strategy, in addition to the workload staffing model, is the exploration of public-private

partnerships through activities such as the Reimbursable Services Agreements program and potential acceptance of donations. Thanks to the support of Congress and the chairman and members of this subcommittee, CBP has expanded authority to enter into these agreements and accept donations of real property, personal property, and non-personal services for activities at ports of entry. That is making an impact and providing a return on investment.

Both international commerce and the threat environment are dynamic, and CBP continues to adapt our posture to protect American security and prosperity. I am proud of the CBP dedicated workforce. I appreciate your acknowledgment of them. They continue to meet these challenges with integrity and commitment.

Thanks again for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Commissioner McAleenan appears in the appendix.]

Senator CORNYN. Thank you, Commissioner. We will have 5-minute rounds.

Let me just start with something that I know will come up. Senator Casey raised the issue of families coming across the border.

Secretary Nielsen said that if a family comes across a port of entry seeking asylum, they are not violating any U.S. criminal laws; are they?

Commissioner MCALEENAN. That is correct, Mr. Chairman. They are not violating any laws presenting without documents and claiming fair return to their home country.

Senator CORNYN. So the zero tolerance program of 100-percent enforcement of illegal crossings would not apply in the case of people coming across the ports of entry; correct?

Commissioner MCALEENAN. That is correct. There is no violation of law and no prosecution of those adults who are arriving at ports of entry.

Senator CORNYN. And so the only time where the zero tolerance policy would apply, where somebody is committing an offense under the laws of the United States, would be if they attempt to enter the country between the ports of entry, which is illegal; correct?

Commissioner MCALEENAN. That is correct.

Senator CORNYN. Well I would say, just in conclusion, that I agree with Senator Casey. And I think all of us agree that every effort needs to be made to reunify these families. And Congress needs to come up with a solution here which only it can provide to that issue.

You talked a little bit about technology at the border. I remember that years ago—we have been trying to come up with technology solutions for the U.S.–VISIT program where we are able to document everybody who enters the country and everybody who exits the country. I think there are some technological advances I believe you alluded to, particularly the facial recognition technology used at airports. Could you expand on that a little bit?

Commissioner MCALEENAN. Sure. We are extremely excited about the developments in technology in facial recognition, in particular to meet our congressional mandate to take biometric captures of everyone departing the country. We are working with air-

ports around the country, already in 12 airports, working with multiple air carriers, U.S. and international, to test this technology. We are piloting both an operation where it serves as the boarding pass for the traveler as well as just a comparison that allows our system to capture that that traveler effectively made an exit from the country. We are seeing 98 percent match rates in those comparisons. It is working to help enable carriers to board aircraft more efficiently.

A380s in Los Angeles International Airport, where we have a common gate for Lufthansa and British Airways and others, they are boarding them in half the time they were boarding before, using our technology, providing that boarding pass capability. So we think that is a tremendous answer for the entry-exit mandate and will be a key area of how we transform the arrivals process, again, to keep up with this growth.

We have had 4-percent growth in international air arrivals every year since 2009. We are seeing that again this year. To keep up with that travel, which is so critical to our commerce, we are going to need to process those travelers more securely and more efficiently. And facial recognition is going to be a tremendous part of that. It is already in place in Miami and other key areas upon arrival, and we are looking forward to expanding that with our aviation stakeholder partners.

Senator CORNYN. You alluded to this briefly, and it is the public-private partnerships at the border that help address some of the infrastructure deficits that we have. And I know this has been an area where CBP has experimented first with pilot projects and is now implementing the Border Trade Enhancement Act to take advantage of the generosity of local stakeholders, including our cities and counties. How has that turned out? How has that worked?

Commissioner MCALEENAN. That has worked tremendously well.

And yes, you are absolutely right, Mr. Chairman. We started with pilots, with your support and others in Congress, to prove that we could do this, that we could partner with private-sector entities, with State and local governments in a way that provided a return on investment that enhanced the services that we could provide at ports of entry.

So at this point we have 150 Reimbursable Services Agreements at 111 ports across the country. We are able to facilitate additional hours for officers either by overtime or augmenting staff during peak periods. We have had 23 applications for our donation acceptance program, 12 of those in Texas, where it is going to make a big impact in improving the flow at our ports of entry on the land border. So we are very excited about these authorities, and we are trying to apply them faithfully and to expand our capacity to serve that commerce.

Senator CORNYN. I recently heard a former head of Southern Command talk about the transnational criminal organizations that operate outside of the United States being commodity-agnostic.

Commissioner MCALEENAN. Yes.

Senator CORNYN. Which I took to mean they will traffic in people, they will traffic in contraband like weapons, they will traffic in drugs, anything that suits their business model and generates a profit. But could you talk a little bit about the role of the ports

of entry when it comes to illegal drugs, because it looks to me like the OFO seized 41,000 pounds of cocaine, 3,700 pounds of heroin, 228 pounds of marijuana, and 52 pounds of methamphetamine. And that was just in fiscal year 2008. But explain to us why it is so important to have the adequate staffing and the adequate infrastructure at the ports of entry when it comes to interdicting these illegal drugs.

Commissioner MCALEENAN. Absolutely. And the TCOs are definitely commodity-agnostic. Drugs and illicit narcotics are still their number one profit center, but they are also profiting from moving people as well to a dramatic extent, multibillion dollars a year in Mexico alone.

The ports of entry are critical for interdicting illicit narcotics. That is the pathway of choice into the U.S., across our southwest border, or through mail or express consignment. Having adequate personnel to accomplish all of our diverse missions, from the immigration side, to inspecting for narcotics, to processing for agriculture protection, to facilitating lawful trade and travel, is essential.

In the technology investments, we received a significant plus-up in 2018 from Congress for our nonintrusive inspection technology. And that is going to let us put a number of conveyances through secondary examination and identify loads of drugs that we were not able to see before in both personally owned vehicles and trucks by actually keeping the travelers in the vehicle during the x-ray.

The new systems are safe to use with people in vehicles, and it is a very exciting development. We appreciate Congress's support in that area.

Senator CORNYN. Thank you very much, Commissioner.

Senator Casey?

Senator CASEY. Thank you very much.

Commissioner, I wanted to start with a topic that is important to me and I think important to people in both parties, and that is how we counter terrorism financing. I have had major legislation on this that focuses on this problem. I know there are a number of agencies and also a number of committees here in the Senate that focus on it.

I know that when you were going through the confirmation process, you provided responses to us that we appreciated on this topic. I guess two basic questions—could you discuss, to the extent that you are able in this setting, the work that is ongoing within your agency to coordinate with the rest of the intelligence community to identify and investigate both suspected modes as well as means of terrorism finance, including trade-based money laundering and other means of threat finance?

Commissioner MCALEENAN. Absolutely. Given CBP's posture at the border, we have unique regulatory responsibility and access to data on people and goods crossing that border. So we bring a tremendous amount to the table when we are working with interagency partners on investigative efforts to counter threat finance, specifically for terrorism groups that do use the U.S. economy to help raise money on the gray market, whether it is trafficking in used vehicles or just trade-based money laundering, intellectual property rights violations.

We have had several significant cases that we have disrupted along with our partners at Homeland Security Investigations in Senator Menendez's State and others. And we have created a counter network division at the National Targeting Center to specifically address these kinds of concerns, where we can identify those connections between illicit parties trying to use our commerce to raise money and partnering with HSI right there at our NTC. They have a division at the National Targeting Center for Investigations sitting alongside us building these cases and then taking action.

We are trying to use all of the authorities across the agency. We have seen Treasury name a number of parties, denied parties based on analysis that has been done at our National Targeting Center, to prevent them from using our banking system for accessing our commercial supply chain. We are very proud of this work. We have expanded it significantly with support from Congress over the last 5 years, and we intend to continue to drive forward in that area. It is a critical mission for us.

Senator CASEY. Thank you for that.

I would ask you generally, but in particular in this area, if there are resources or authorities that you need to help you, over the course of today, would you present those to us or itemize them?

I want to go back to, as well—in the remaining time I have in this round—to ask you about the budget again. I was highlighting before the staffing levels.

According to your workload model, Customs would need to hire an additional 2,500 officers, 721 agriculture specialists to achieve its staffing targets. I know at the airport in Philly alone, just in that one place, we are short 8 to 10 Customs officers. So there is an understaffing issue. To say I was disappointed is an understatement that Director Mulvaney did not ask for additional appropriated funds to address the shortfall. But we can work together here to address it. We have officers who are regularly asked to do double shifts, as I mentioned, assignments away from their families. That can affect the family as well as morale.

Can you walk through some of the strains just by way, if you could, of itemizing where you need the most help in terms of getting those dollars up for staffing?

Commissioner MCALEENAN. Sure. Thank you, Senator, for asking about our staffing approaches for the ports of entry. We were very pleased to receive support from Congress for 328 officers in the fiscal year 2018 budget. We intend to make that hiring goal this year. We are making very good progress towards it. We also saw in the Senate Appropriations Committee markup continued support for CBP officers through appropriated dollars, 375 additional officers, which is outstanding.

Just to clarify, this is an effort across the last two administrations to provide a workload staffing model that gives a good sense of the number of staff we need to carry out our mission effectively based on volume, workload, emerging and changing threats, but also the technology and the partnerships we were able to bring to bear on our mission set.

Alongside that staffing model, we submitted to Congress authorizing language requesting the ability to increase our fees. In sev-

eral cases, it has been over 15 years since we have had any update of those fees. They have not kept pace with inflation. And the requested increases in those fees we have asked for would meet and exceed, actually, the total number of staff that we have requested under the workload staffing model.

So that is something we would like to partner on. We do believe that that is an ongoing partnership with the trade and travel industries to make sure that we can provide the services they need.

Senator CASEY. Great. Thank you very much, Commissioner.

Senator CORNYN. Senator Isakson?

Senator ISAKSON. Thank you, Senator Cornyn.

Welcome. Glad to have you.

At your confirmation, we discussed the numbers of employees in CBP at the port of Savannah. Since the time we passed the Border Jobs for Veterans Act of 2015, have you utilized any of the programs in the 2015 act to expand employment at Savannah or any other port in the country?

Commissioner MCALEENAN. We have made use of every authority that Congress has given us in terms of streamlining and enhancing our hiring. About 30 percent of our workforce are veterans. We have done outreach to DoD across multiple major bases where we have significant numbers of transitioning members so that we can onboard them more efficiently—we can treat their outgoing medical exam as our inbound medical exam, for instance. And our hiring of veterans has increased.

And Savannah is no exception. My head of trade relations is in Savannah today meeting with port authority leadership as well as our Office of Trade Executive Director talking about how we can keep up with the growth there in Savannah with the additional dredging and the depth of the channel that you have there. It is a critical port and an important partnership for us.

Senator ISAKSON. We have 800,000 veterans in the State—retirees. We have a number of bases in the State, many of them close to the port of Savannah.

You probably do not have a better-qualified potential candidate for employment for your responsibilities than your veteran who has come back from training and services with the country. So I am glad you are utilizing that. I hope you will continue to.

As chairman of the Veterans Committee in the Senate, any way we can be of help to you to promote your operation as a place for veterans to come and work, we will be sure to do that. Get in touch with our staff and give them any information you would like us to have. We will disseminate that information very readily.

Second on the port of Savannah, we are very proud of that port. It is the largest boat port on the east coast of the United States and profitable. It is being expanded thanks to the graciousness of members of the House and Senate and the President of the United States, the last three Presidents of the United States. We are going to get to 47 feet within about 3 to 4 years. It is going to be bringing in the new Seamax ships coming in, which carry 14,000 containers per boat. To give you a little comparison, the boats they get now carry 9,000. So it is about a 30-percent increase in throughput.

My question is this: we have the Elba Island liquefied natural gas port there. We have the tremendous number of tons of mate-

rials coming in there. We have lots of ships from all around the world coming in there. I am always concerned about the security and how well we are enforcing the security, vis-à-vis the potential of a terrorist attack. We have not had one, and I hope we never do have one. But one of the reasons you do not ever have one is the preparation you do to prepare yourself—preparing for them.

Could you tell me for a minute, in terms of that port, how you feel about our security in its current form? And do you see any additional needs that we need to provide for you to be sure it is as secure as possible?

Commissioner MCALEENAN. Sure, Senator. So on our security, it is a collaboration with the U.S. Coast Guard. They are the lead for port security. As you know, Commandant Schultz, former Atlantic Area Commander, has a very good handle on other port security issues in Savannah and really all over the eastern seaboard and around the country.

For CBP, we partnered directly with the Coast Guard, both at the national level and in the field. Coast Guard has their targeting unit sitting with us at our National Targeting Center. So we are looking at the same data collected under Coast Guard authority, but then processed and analyzed with CBP systems to provide targets for them to look at, both in terms of any risk presented by the passengers and crew on a vessel, but also the cargo on that vessel.

So we have an integrated risk assessment process of the people and goods on that vessel that are then conveyed out to our field elements for appropriate action. The captain of the port then decides which vessels they need to escort in and provides safety.

CBP helps—from an immigration perspective—determine which people and crew we might need to hold on board during their stay in the U.S. and make sure they are secured during the time they are in port. And that is a collaborative process, and I think it works very well.

I will definitely circle back with my Coast Guard counterparts to see if there are unmet needs in that port security effort in Savannah or elsewhere. But we feel pretty good about our collaboration and our common operating picture that we have at this point.

Senator ISAKSON. That did not prompt the question. What prompted the question, however, was to get a little information out to the public.

I have people ask me sometimes, how in the world do you protect the port? And I start off by telling them about the known shipper program, and I tell them about the Coast Guard.

The Coast Guard in Savannah flies out to the outer marker where the ships report that come in and have not filed a known shipper at the point of embarkation—when they left to come. That ship is searched 3 miles out with the help of the Coast Guard.

Commissioner MCALEENAN. Right.

Senator ISAKSON. The ships that are fully locked up, fully searched, and fully inventoried when they come in—they come in and can offload and unload pretty quickly. So the shippers are motivated to bring in a full cargo that is completely itemized, completely reported, easy to inspect. So you have a great secure system, and the Coast Guard does a magnificent job.

Commissioner MCALEENAN. Tremendous.

Senator ISAKSON. Seeing to it that we get those inspections done—so, I wanted that information to get out to every Georgian and really every American, because of the value of those ports.

Thank you for your service.

Commissioner MCALEENAN. Thank you.

Senator CORNYN. Senator Portman?

Senator PORTMAN. Thank you, Mr. Chairman.

Commissioner McAleenan, thank you for your service and that of your officers. We appreciate what they do every day, including of course, interdicting heroin, fentanyl, other drugs coming into our country. We are trying to help you on that, by the way.

The STOP Act, as you and I have talked about many times, would be a tremendous help to give you the data that you need to interdict these packages that are coming in from overseas, primarily, mostly from China. As you know, fentanyl is now the number one killer in my home State, and I believe among the opioids, the number one killer in the country. So we hope to follow suit with the House very shortly and get you those tools.

I talked to you very briefly before the hearing started to warn you about what I was going to talk about, but it is a big issue. But you have a specific role that would really help. And it has to do with these steel tariffs, their impact on our economy, and how we go about ensuring a level playing field.

The section 232 measures which are under a national security waiver under our trade law, do not require us to show an injury to our industry. They do not require us to show any unfair trade. But as you can see, other countries are retaliating aggressively against us as we use this tool. My fear is those trade escalations will continue and it is going to hurt our consumers, but also our exporters and our manufacturers.

So what is the problem? Well, the major problem—everybody seems to agree—is over-capacity, steel production in this world. And primarily that is China. About 15 years ago they had 15 percent of the global production. Now they have about half of the global production. And they do sell their steel at below cost. We have been able to show that and win some trade cases on that. And I think that is good. One of the problems is, they try to ship it through other countries. And that is why, working with Senator Wyden and others, we passed this legislation called the Enforce and Protect Act, also known as the Enforce Act, because we recognized the overcapacity problem and wanted to deal with the duty evasion issue and the transshipment issue.

And we have vested a lot of responsibility in you and your people. I know you have a lot to do with people and drugs, and other issues related to commerce. But this one is really important. And frankly, I do not know that we would need to have a 232 case and have all of the potentially negative consequences that come from that if we were doing a better job on transshipment.

I know you appreciate its importance. We have had some successes in the wire coat hanger case. For example, the Enforce Act was essential in saving the last manufacturer in the United States. We could not have done it without the legislation, without your help. Unfortunately, with all of the things that distracted your people and your lack of hiring and so on—we talked about it earlier—

the legislation remains underutilized. One reason, I think, is that we do not see as many allegations as we should, because we do not have this ability to have Administrative Protective Orders.

The International Trade Commission, Department of Commerce both successfully used the APOs, Administrative Protective Orders, to facilitate confidential information-sharing with interested parties. And I strongly believe that there is an opportunity to apply that here to the Enforce Act.

I have heard from a lot of stakeholders about this. They want this process at CBP, because they understand how useful it can be. I know you do not have the legal authority to do it yourself, but I want to hear from you today, do you believe that creation of an APO process under the Enforce Act would make the process more useful for petitioners, and thus increase the number of petitions?

Commissioner MCALEENAN. Thank you, Senator, for the question and to the committee for the authority under the Enforce Act which we have taken on, implementing an interim final rule within 6 months of the passage of the Trade Facilitation and Trade Enforcement Act.

We are now up to 20 investigations, 9 completed, $50 million in evasion prevention accomplished. We have done foreign site visits in over 18 locations, which have really given us a sense of where there is a fraudulent issue, a fake transshipment, if you will. We are able to actually look at that factor using our international network, our partnership with foreign governments and with HSI.

Senator PORTMAN. By the way, your interim rules came out in August of 2016.

Commissioner MCALEENAN. Correct.

Senator PORTMAN. We are still waiting for the final regulation. So if you could also tell us today when you expect those final regulations to come out, that would be helpful. Do you have an answer on that?

Commissioner MCALEENAN. Actually, I think that depends on the second half of your question, the ongoing lessons learned from these 20 investigations and incoming allegations under the Enforce Act, the lessons we take from those and how we want to apply them in a final rule.

The Administrative Protective Order process is something that we have looked at and that we are happy to have an ongoing conversation with Congress about. As you noted, we do not have the authority or the resources to implement it today.

Senator PORTMAN. Do you think it would be helpful?

Commissioner MCALEENAN. I think that the key elements of it, the sharing of additional information——

Senator PORTMAN. Confidential——

Commissioner MCALEENAN [continuing]. With interested parties is very helpful. And whether we can do that through a final rule on our own, or whether an APO would materially advance that, that is worth discussing. Absolutely.

Senator PORTMAN. But you want to get that confidential information. Another area where we can improve the Enforce Act would be to allow petitioners to file allegations when the importer is not known, because that is the case sometimes. They see innovation

coming. They are tracking prices, market dynamics—they know it is happening. They just are not sure who is doing it.

Again, legal authority aside, do you believe that permitting allegations when an importer is unknown would make the process more useful for petitioners and help increase the number of petitions?

Commissioner MCALEENAN. Yes. We agree with that. That is an improvement we would like to make in the process.

Senator PORTMAN. That sounds like the first change you would like to make, whether it is through an APO or some other way, and the second one, you believe people ought to be able to file these cases without knowing the importer?

Commissioner MCALEENAN. Correct.

Senator PORTMAN. Great. Thank you, Mr. Chairman.

Senator CORNYN. Senator Menendez?

Senator MENENDEZ. Thank you, Mr. Chairman.

Commissioner, let me first salute the men and women in the service who work at Port Elizabeth in Newark and Newark International Airport. They do a fantastic job at the mega-port of the east coast. We appreciate their work.

But I want to turn to a line of questioning that started off where the chairman started off his line of questioning. On June 18th, Secretary Nielsen said that if an adult enters at a port of entry and claims asylum, they will not face prosecution for illegal entry. They have not committed a crime by coming to the port of entry.

And the same day the Department of Homeland Security called it a myth that families who cross the borders seeking asylum at ports of entry are separated. But advocates and press stories tell us a different story.

How many children were, in fact, separated from their parents at ports of entry during the family separation policy?

Commissioner MCALEENAN. Under the zero tolerance and prosecutions, family separation efforts, zero. We had seven separations during that time period that were due to an unproven family relationship or an unrelated criminal history or violation.

There were several thousand, 5,200 families, that arrived during that time frame. None of them was separated due to prosecution just for claiming asylum.

Senator MENENDEZ. None at a port of entry? You are telling me none at a port of entry was separated?

Commissioner MCALEENAN. Not purely for the zero tolerance initiative. There had to be an underlying criminal history element or something else in the presentation, fraud or not a family relationship.

Senator MENENDEZ. That would be the only reason they would have been separated?

Commissioner MCALEENAN. Correct.

Senator MENENDEZ. Let me ask you this: one of the things that we keep hearing about is that DHS has repeatedly encouraged migrants seeking asylum first to do it in their home country, but if not, to do it—to cross at ports of entry and not in between ports of entry.

Now we have seen pictures of Customs officers standing on bridges on the border in El Paso keeping migrants on the Mexican

side of the border. And that has prompted some of those seeking asylum to set up camps on the bridges while they are waiting to make an asylum claim. Now CBP claims that no one at a port of entry is being denied an opportunity to make a claim of asylum, but that there are capacity issues. Effectively, asylum seekers are being turned away at ports of entry and told to come back later.

How long are the wait times at the port of entry on the southern border to receive families who are claiming asylum?

Commissioner MCALEENAN. Sure. This is something we monitor very carefully. We have a daily report that I receive, that our Executive Assistant Commissioner for Field Operations receives. And on any given day at our 26 international crossings at that southwest border, there might be 3 to 4 ports that have any wait time for people who want to present without documents. Generally, one or two of the ports in Texas will have 10 to 50 people waiting. They will be waiting a matter of hours, generally processed in the same day.

The one outlier we have is the port of entry in San Isidro, which is between San Diego and Tijuana, as you know, where the majority of people arriving seeking asylum come in. There is a shelter network there. There is an effort coordinated by our Mexican counterparts to provide people awareness on when they can come to the port of entry—when we have space.

But that balance to try to make sure that people are housed in space where we have capacity, where it is a safe and appropriate environment, as well as balancing across all of the other missions that we have talked about, is what we are trying to manage.

Senator MENENDEZ. How many potential asylum seekers are waiting on the other side—have waited, have presented themselves formally to a port of entry, but cannot be processed because of capacity issues?

Commissioner MCALEENAN. Border-wide or in San Isidro?

Senator MENENDEZ. Let us start with San Isidro. You said that is the biggest.

Commissioner MCALEENAN. San Isidro is—the 95-plus percent of the folks waiting are in San Isidro. It is over 1,000 right now.

Senator MENENDEZ. Over 1,000?

Commissioner MCALEENAN. Correct.

Senator MENENDEZ. How long have they been waiting there?

Commissioner MCALEENAN. On average, 7 to 14 days is the current information I have.

Senator MENENDEZ. And what have you instructed CBP officials to tell individuals seeking asylum when they come to a port of entry, and what are you doing to accelerate the ability to actually take their asylum applications?

Commissioner MCALEENAN. So as you know, our ability to take people in depends on our counterparts in the immigration system to pick them up after we finish processing them at the port of entry. So it depends on ICE capacity to pick people up who are in our custody. It depends on our staffing capacity.

Just to give the committee and the people watching a sense of how much effort goes into this, at San Isidro, where we have 130,000 people arriving a day, 20-plus percent of our arrivals on the southwest border, we take about 10 to 15 percent of our staff——

Senator MENENDEZ. Those are not asylum seekers.

Commissioner MCALEENAN. No. Those are lawful travelers for commerce. We take about 10 to 15 percent of our staff to focus on those arriving without documents. And we are taking in anywhere from 50 to 100 a day. So it is a huge effort to carefully process them, to do interviews and sworn statements. And we are trying to balance that against that lawful travel and the fact that San Isidro is one of our top locations for illicit narcotics trying to enter the country.

So it is a balance every day. We are trying to take in as many people as we can who present without documents. As you point out, that is the lawful, appropriate way to seek asylum in the U.S.

Senator MENENDEZ. I will submit the question for the record, but I would like to know what is the totality of the other port sites. This is the largest one, obviously, but I would like to know the totality.

Commissioner MCALEENAN. Today there was one port with 50, and another with 25 waiting.

Senator MENENDEZ. That is it.

Commissioner MCALEENAN. Correct.

Senator MENENDEZ. That is it. Okay.

Thank you very much. I appreciate it.

Senator CORNYN. Thank you, Senator. Senator Carper?

Senator CARPER. Thanks, Mr. Chairman. Welcome, Commissioner. It is good to see you. Thank you very much for your service.

A couple of weeks ago, I believe, the Vice President was going to head down to Latin America. He apparently had planned to make a stop in, I think, Guatemala. And it ended up being a longer stop than was initially anticipated.

My understanding is that he may have met with the President of Guatemala, maybe the President of Honduras, and maybe the Vice President of El Salvador. I have not heard much at all about that meeting.

But as you and I know, you and I and others on this committee, including our co-chairs, are interested in root causes, not just addressing symptoms of the problems, but root causes.

I have not talked to the Vice President lately to see what kind of takeaways did he get from the meeting, what transpired. Did they discuss Alliance for Prosperity? Do you have any—can you shed any light on that?

Commissioner MCALEENAN. Certainly. I appreciate the question, Senator Carper. Good to see you.

I had a chance to talk to the Vice President about some of these issues before his trip, how important this engagement in Central America is. Secretary Nielsen has been championing this effort as well. She actually flew down and spent that day with the Vice President in Guatemala and then subsequently led a delegation down last Friday.

I joined her, along with a number of State Department officials, Ron Vitiello, the Acting Director at ICE, to meet with our northern triangle counterparts, foreign ministers and interior ministers, but also Mexico, because it has to be a shared effort. Canada sent a delegation as well to participate in those discussions.

Senator CARPER. Give us a report on those discussions.

Commissioner MCALEENAN. They were robust. Obviously, there was discussion about U.S. immigration policy and enforcement efforts, but also talk about how we can collaborate together on getting clear messaging to potential migrants leaving the northern triangle.

Their desire is to keep their youth and energy home, to invest in them, to create economic opportunity. So they wanted us to share that effort to message. We also talked, of course, about tackling the smuggling organizations. But very importantly, we had an extensive dialogue about the economic prosperity opportunities.

The government of El Salvador talked about the Customs union that they are creating among the three northern triangle countries. I will be going down in September to talk about how CBP, ideally with Mexico——

Senator CARPER. When in September?

Commissioner MCALEENAN. Mid-September right now is the date we are planning.

We want to bring a package of support, both on the security side where we are already having vetted units—we are already helping them with their targeting systems. But we want to add that Customs element. If they could collect duties and VAT taxes with integrity and transparency, that would add to the government collections, enable them to invest in their economic efforts. So it has really got to be multifaceted.

We then met with the ambassadors 4 days later, on Thursday to——

Senator CARPER. Do we have ambassadors in all three countries?

Commissioner MCALEENAN. We do. Yes, CBP has staff in all three countries on site as attachés, as well as advisors.

Senator CARPER. We have confirmed ambassadors in all three countries?

Commissioner MCALEENAN. I am sorry about that. I do not know. I think we may have a chargé in one of the three.

Senator CARPER. Okay.

Commissioner MCALEENAN. But we met with the ambassadors from the northern triangle then, that Thursday. My team met with them again Monday on the messaging, and we have a vice-ministerial meeting in Tegucigalpa on the 26th.

So the root cause effort, which has had bipartisan support from Congress, to invest in the Alliance for Prosperity is robust. It is a strong commitment from State alongside Homeland Security, and CBP is committed to being part of that solution.

Senator CARPER. Good. Thanks. Let us stay in touch on this. I have a longtime interest and very much want to stay on top of it. That is good. I need to get back down there soon.

Commissioner MCALEENAN. Okay.

Senator CARPER. Maybe September. We will see.

Commissioner MCALEENAN. All right. That would be great.

Senator CARPER. I will be your wingman.

Commissioner MCALEENAN. Okay.

Senator CARPER. Just to switch gears a little bit, aside from root causes and addressing the root causes, give us one or two other appropriate measures that are on your mind, the front of your mind, toward reducing migration from the northern triangle these days.

Commissioner MCALEENAN. Right. So I think we have to have regional efforts to align migration policies and to make sure that there are safety valves for those who need protections without putting themselves in the hands of smugglers.

The situation we have now, with the most vulnerable people in our hemisphere putting themselves in the hands of the most violent criminal organizations in the world, is not acceptable. They are profiting on the backs of these vulnerable people.

They are fighting over the territory, the access to the river, in a way that is absolutely devastating to the people of Tamaulipas, where they have had a 100-percent increase in the murder rate in the last 18 months, based on an organization just fighting for that last inch to the river where they are able to charge an extra $500 to everybody trying to cross into the U.S. illegally.

One hundred and twenty-two politicians were killed in Mexico in the last election cycle—122 candidates. That is fueled by our drug demand and fueled by our immigration policy.

So we need to find a way with the transition process, with the new government, the President-Elect, to continue our collaboration on targeting these networks, to partner on migration flows in a way that reduces the demand and keeps it out of the hands of these criminals.

Senator CARPER. Thanks. I would just say to our chair and ranking member that maybe the idea of a Senate delegation with just Senators whose last names start with "C" should go down to visit the northern triangle this fall.

Senator CORNYN. On some day that ends in "y." [Laughter.]

Senator Carper's comments about ambassadors, and about State Department and other staffing down in Central America, I think are entirely appropriate. Secretary Pompeo, whom I happened to talk to last night, confirmed that there are a lot of vacancies in U.S. representatives, ambassadors, diplomatic representation. And if we are going to try to figure out a solution to this problem on a regional basis, like the Commissioner said, we are going to have to have our best people confirmed and in place.

Perhaps that is something we can work on together, along with our friend from Pennsylvania, because that should not be about politics. That ought to be about trying to advance American interests and come up with solutions. So I appreciate you raising that issue.

Commissioner, thank you very much for being here. There is so much more we could talk about. But you have been very patient along with the rest of our second panel. So we will excuse you for now, and we will look forward to staying in touch and trying to support your mission the best we can.

Thank you very much.

Commissioner MCALEENAN. Thank you, Mr. Chairman and Ranking Member. Great panel behind me here, so I will get out of the way.

Senator CORNYN. Thanks to our second panel for joining us today and providing your perspective on our Nation's ports of entry. I see two good friends there from Texas. The first is Mr. Sergio Contreras, the vice chairman of the Border Trade Alliance, who

also serves as president of the Rio Grande Valley, Texas Partnership.

Our second witness is my friend Pete Saenz, the honorable Mayor of Laredo, chairman of the Texas Border Coalition. And I am sure he will tell us about the number of trucks and trade that come across the border in Laredo, TX, which I think will blow everybody away. They have no idea of the volume of trade and legitimate commerce that crosses that land border.

Our third witness today is Mary Ann Bucci. Mary Ann is Executive Director of the Port of Pittsburgh Commission. That is in Pennsylvania, is it not?

Ms. BUCCI. It is.

Senator CORNYN. Okay. And finally, our fourth witness is Mr. Kurt Nagle. Mr. Nagle is the president and CEO of the American Association of Port Authorities. Mr. Nagle, welcome here today.

I would ask each of you to provide some brief opening remarks. If you would keep it to 5 minutes or less, then that would give us a chance to have a conversation. So, Mr. Contreras, you are now recognized for your opening statement.

STATEMENT OF SERGIO CONTRERAS, VICE CHAIRMAN, BORDER TRADE ALLIANCE, WESLACO, TX

Mr. CONTRERAS. Mr. Chairman, Ranking Member Casey, for the record, my name is Sergio Contreras. I am president and CEO of the Rio Grande Valley Partnership, a regional chamber of commerce in south Texas's Rio Grande Valley. I appear before you, however, in my capacity as vice chairman of the Border Trade Alliance, an organization that for 30 years has provided analysis and advocacy on issues pertaining to the U.S.-Canada and U.S.-Mexico border regions. I appreciate the invitation to provide a few remarks. I have also submitted a longer written statement for the record.

We applaud the members of this subcommittee for taking the time to delve into the issues facing our ports of entry. Nearly 9 million U.S. jobs depend on trade with Canada. Five million U.S. jobs can be attributed to trade with Mexico.

Our three nations' supply chains are deeply integrated, which has created a highly efficient, just-in-time manufacturing environment that has resulted in an enhanced quality of life throughout the region. Just moving goods across the continent was responsible for nearly 50,000 jobs in the trucking industry alone in 2016.

From fresh fruits and vegetables on their way to U.S. grocery stores, ensuring that produce is never out of season, to workers, shoppers, and tourists crossing to enjoy attractions on the other side of the border or to visit family and friends, or to component parts moving back and forth before they become a part of a finished product, by any measure, well-functioning ports of entry are essential to our Nation's economic health and security. The BTA has long supported additional resources for Customs and Border Protection personnel for technology and infrastructure improvements to increase legitimate trade and protect our Nation. The reason is simple. More resources devoted to inspecting and clearing legitimate freight and travelers means more resources for interdiction.

Here are a few items the BTA would urge you to keep in mind. CBP hiring takes too long, and it has too many unfilled positions. In an April 2016 hearing of the Border and Maritime Security Subcommittee of the House Homeland Security Committee, CBP acknowledged the agency's 18-month hiring process proves challenging to its recruitment efforts.

Encouragingly, the trend lines of hiring appear headed in the right direction. But there is still plenty of room for improvement. According to a GAO report released last month, thanks to improved recruiting efforts, applications to CBP for fiscal year 2013 to fiscal year 2017 more than tripled. And a larger percentage of applicants are getting hired. Unfortunately, however, it still took more than 300 days on average for CBP officer applicants to complete the hiring process.

Our organization and members of both parties have supported reforms that would ease CBP's hiring struggles, including legislation that would streamline recruiting by waiving the existing polygraph exams for current State or local law enforcement officers in good standing. Approaches to recruitment like this are important as we seek new ways to attract talented, qualified individuals into CBP careers.

Border delays are expensive, and they hurt our competitiveness and quality of life. There have been deployments of late, however, that the BTA hopes are a sign of positive signs to come. The BTA is very encouraged by the concept of unified cargo processing, known as UCP, that has been deployed to ports of entry along the Mexico border whereby U.S. and Mexican personnel work side-by-side on U.S. soil to conduct outbound and inbound inspections.

UCP represents an example of making our ports of entry more efficient through better regulations, while ensuring security and increasing capacity. Aging, outmoded infrastructure is also a major challenge for the trade community. But the trade community now has a viable option to work in tandem with State and Federal partners to supplement staffing levels and improve infrastructure to support secure international trade.

Under Reimbursable Service Agreements, local governments and private-sector entities can apply available funds to secure expanded services at their ports to facilitate trade and travel processing. Federal agencies must recognize that a demonstrable return on investment will be critical to attract private dollars to these programs. CBP should be prepared to demonstrate the financial upside for private-sector participation, including through increased trade throughput.

Finally, we would recommend that the construction of new ports of entry should only be undertaken where trade flows justify new facilities. We believe that infrastructure improvements and new construction should be made only at those land ports of entry where traffic volumes make such upgrades absolutely necessary. New construction where traffic volumes are flat or declining diverts limited resources, especially budget dollars allocated for inspection personnel, away from those locations where they are needed most.

On behalf of the Border Trade Alliance, thank you for this opportunity. I look forward to your questions.

Senator CORNYN. Thank you, Mr. Contreras.

[The prepared statement of Mr. Contreras appears in the appendix.]

Senator CORNYN. Mr. Saenz?

STATEMENT OF HON. PETE SAENZ, MAYOR, CITY OF LAREDO, AND CHAIRMAN, TEXAS BORDER COALITION, AUSTIN, TX

Mayor SAENZ. Yes, thank you so much.

Mr. Chairman, committee members, I am Pete Saenz, Mayor of the city of Laredo, chairman of the Texas Border Coalition, TBC, speaking on behalf of more than 2 million Texans in 17 border counties of the 1,250 mile Texas-Mexico border. Thank you for the opportunity to speak before you today regarding the role border ports of entry play in our Nation's economy and its security, and the improvements needed to increase efficiencies in all such areas.

The widening U.S. trade war with Mexico, with Canada, Europe, and China threatens sustained economic growth. Congress and the White House need to end tariff uncertainty and improve NAFTA, which is the North American Free Trade Agreement. NAFTA modernization is needed to address changes in economic climates and technology. But we propose that it be done in a manner that does no harm.

CBP is the second-largest revenue collection agency and collects more than $44 billion in revenue per year for the Federal Government. Some of it is used at ports of entry. We need more money.

The three key elements of ports of entry operations revolve around staffing, as you have discussed, infrastructure, and technology. The combination of higher volumes of goods crossing our ports of entry and the enhanced post-September 11, 2001 security procedures have led to longer wait times.

The Joint Economic Committee of the U.S. Congress finds that border delays cost the U.S. economy as much as $5.8 billion each year. The fiscal year 2018 workload staff model and the agriculture resource allocation model show we are understaffed 2,516 CBP officers and 721 agriculture specialists. While the administration's fiscal year 2019 budget provides no new funding to address the CBP officer staffing shortage, we truly appreciate your, the Senate's, allocation of 375 new officers.

Also integral to the reduction of wait times is the continued implementation of CBP operational strategies. We support: (1) the dual U.S.-Mexico Federal inspection program; (2) the expansion of certified trusted carrier programs, to include pre-cleared certified mechanical truck and trailer inspections as well, and utilization of dedicated FAST lanes; and (3) increased inspection lanes and staff, and the installation of state-of-the-art technology at land ports and also Border Patrol highway checkpoints. We cannot forget about those, and we are also in support of interagency data sharing between Customs and Border Patrol highway stations to reduce the duplication of inspections. Roads and highways leading to and from border points of entry are equally important to the free flow of goods and services.

We fully support innovative financing mechanisms that enhance public-private partnerships, including Senator Cornyn's and Senator Warner's proposal to improve private activity bonds. Thank you.

While the donation asset program has successfully offered and acquired donated assets at our border crossings, the $50-million limit set for new Federal Government-owned land ports of entry is a barrier and does not allow for that return on investment needed when considering higher-cost projects. One such project is the need of financing the city of Laredo I–35, I–69 west corridor leading to and from the World Trade Bridge port of entry. The total project cost is estimated to be $130 million, of which $78 million could be and would be federally funded.

In regard to border security, the Texas Border Coalition proposes that a one-size-fits-all barrier approach to border security is not the solution. CBP data suggests between 80 and 85 percent of smuggled cocaine, heroin, methamphetamine, and fentanyl enters the U.S. through the ports of entry. As stated before, to combat the drug supply, we must increase personnel, technology, and infrastructure needed at the ports of entry.

In terms of building a border wall, it is vital to consider the border terrain. TBC supports that a mile-by-mile test be conducted to determine whether a physical, or a virtual wall, or other tactic would be the least costly and most effective security solution.

Finally, it is important to add that we support the work of ICE and their efforts to ensure homeland security and public safety. However, zero tolerance must be redefined to ensure the humane treatment of persons and families. We urge Congress to pass a permanent legislative solution protecting against a separation of families at the border and the indefinite detention of families.

On behalf of TBC, thank you so much for the opportunity to contribute to these important matters. And I will answer any questions that you may have at the appropriate time.

Senator CORNYN. Thank you, Mayor.

[The prepared statement of Mayor Saenz appears in the appendix.]

Senator CORNYN. Ms. Bucci?

STATEMENT OF MARY ANN BUCCI, EXECUTIVE DIRECTOR, PORT OF PITTSBURGH COMMISSION, PITTSBURGH, PA

Ms. BUCCI. Chairman Cornyn, Ranking Member Casey, and members of the subcommittee, I thank you for the opportunity to testify today. My testimony will focus on the importance of ports in the waterway transportation system, and their importance to our national economy, trade, and competitiveness.

I am the Executive Director of the Port of Pittsburgh Commission, located in Pittsburgh, PA. In order to create jobs and improve the quality of life in southwestern Pennsylvania, it is the mission of the Port of Pittsburgh Commission to promote commercial use and development of the inland waterway-intermodal transportation system and to integrate that system into an economic, recreational, environmental, and intermodal future for all the residents and industries in southwestern Pennsylvania.

There are 12,000 miles of navigable inland and intra-coastal waterways transporting more than 550 million tons of cargo valued at over $300 billion. The Port of Pittsburgh handled 22.5 million tons of cargo in 2016. This included 15 million tons of coal and over 1 million tons of petroleum products. Another 5 million tons was

comprised of sand, gravel, and other basic building materials. Because cargo must pass through several locks as it moves through our port, our locks are quite busy, locking through an average of 100 million tons of cargo or 130,000 barges.

Beyond enabling commercial and recreational transportation, the inland waterways provide flood control, enable stable water supply for communities and industries, facilitate hydroelectric power, offer recreation such as fishing and water sports, enhance regional economic development, and secure our national defense. The ports and inland waterways also provide one of the best returns on investment. According to the Corps of Engineers, for every dollar expended by Corps Civil Works Mission projects, $16 is generated in annual net economic benefits to the Nation. According to the International Trade Administration, Pennsylvania has 176,000 jobs that are supported by exports, ranking 11th among all States.

America's inland waterways system is number one in the world, but it is not without its challenges, as international competitors continue to improve their systems and facilities. More than half of the locks and dams on the U.S. inland waterways are past their 50-year design life, with most locks and dams built in the 1930s. In fact, Pittsburgh has some of the oldest locks and dams in the Nation. Our locks and dams, and our ports, require attention and financial recapitalization for operation and maintenance, dredging, and channel and harbor improvements to maintain reliability and sustain the Nation's economic well-being and standard of living.

Currently, there are 25 high-priority inland projects underway or awaiting construction on the inland waterways system. A top priority project is the Lower Monongahela Locks 2, 3, and 4, located in my backyard of Pittsburgh. The problem is that the process to construct the lock and dam projects in 3 to 6 years—as they were built in the 1930s and 1940s—take decades.

The Lower Mon project is in its 24th year of construction, a project that should have been completed in 20 years. Not only are we in the 24th year of a 10-year project, the project will come in under-delivered with only one reliable lock chamber being completed. The initial project cost was $750 million with an estimated completion date of 2004. The current cost is now $1,230,000,000 with an estimated completion date of 2022.

For Pittsburgh and America to stay competitive in foreign markets, we must get back to constructing navigation projects in less than 5 years. The Upper Ohio Navigation Study has been going on for 17 years at a cost of over $19.5 million thus far. It is now in its third iteration of the study. Each year the project delay costs approximately $1.3 billion in economic loss. A major failure on the Upper Ohio River would shut down the entire port of Pittsburgh.

New industries are coming to Pittsburgh, such as the Shell Chemical plant. The plant will support 600 permanent jobs and will utilize 6,000 construction workers. It will consume 105,000 barrels of ethane per day and produce 1.6 million tons of polyethylene pellets per year.

The waterways truly deliver for southwestern Pennsylvania, for the Ohio Valley, and the Nation. But the current rate of investment means that many priority projects will not begin construction

within the next 20 years, as our foreign competitors outspend us to modernize their infrastructure to get ahead.

As this subcommittee continues to consider trade and commerce in the United States, I urge you to appreciate the conduit of the inland waterways and the port system to American competitiveness and growth. Modernizing our ports and rivers is an investment in our Nation's continued economic prosperity, because grain, petroleum, steel, chemicals, building materials, and over a half-million jobs are riding on our waterway transportation system and through our ports.

This concludes my testimony, Mr. Chairman. Thank you for providing me this opportunity to be here today and address this critically important subject.

Senator CORNYN. Thank you very much.

[The prepared statement of Ms. Bucci appears in the appendix.]

Senator CORNYN. Mr. Nagle?

STATEMENT OF KURT NAGLE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN ASSOCIATION OF PORT AUTHORITIES, ALEXANDRIA, VA

Mr. NAGLE. Thank you, Mr. Chairman and Ranking Member Casey. Thank you for inviting the American Association of Port Authorities to testify at this hearing on trade and commerce at U.S. ports of entry. At a time when the Federal Government is focused on creating American jobs, propelling the economy, and modernizing infrastructure, the role played by the Nation's ports and freight transportation system is more critical than ever.

U.S. ports serve as a critical link in our Nation's international trade. Throughout our Nation's history, seaports have served as vital economic engines that connect American farmers, manufacturers, and consumers to the global marketplace. They deliver critical goods to consumers, ship U.S. exports, create jobs, support our military, and promote local and national economic growth. Cargo activity at American seaports accounts for over 23 million American jobs, and accounts for over one-quarter of the U.S. economy.

With 95 percent of the world's population and 80 percent of global consumption located out of the United States, sustained investment in modern, well-maintained seaports and connecting infrastructure is vital to America's prosperity and long-term global trade competitiveness. AAPA was pleased to hear that both the administration and Congress called for increased investment in infrastructure, followed by Congress's budget agreement to spend $10 billion in fiscal year 2018 and fiscal year 2019 on new infrastructure investments. AAPA has determined that the needs of the seaport industry—including the Great Lakes—is $66 billion over a 10-year period. That includes roughly $34 billion for waterside projects and roughly $32 billion in landside projects. There are projects where ports partner with the Federal Government. Our written testimony goes into more detail on that $66 billion dollars in identified need.

The key Federal programs that support seaport infrastructure are the U.S. Army Corps of Engineers Navigation Program and the Department of Transportation's discretionary grant programs, including the TIGER/BUILD and INFRA programs, as well as the

Formula Freight programs established under the FAST Act. DOT financing programs can also be of assistance.

Local public seaports and their private-sector partners plan to invest $155 billion in infrastructure improvements over a 5-year period. However, these investments are reliant on the Federal Government doing its part by modernizing and maintaining the land and water-side connections to seaports to ensure that that cargo is able to flow efficiently and also to minimize congestion and impacts on the local communities. With Congress devoting $10 billion in funds in fiscal year 2019 for infrastructure improvements, we urge that Federal programs that support seaport projects be more adequately funded.

Importantly, there is also an opportunity to fix a longstanding problem with the way we fund harbor maintenance. As you know, in 1986 this committee established the Harbor Maintenance Tax, which requires users of the system to fully fund its maintenance. Unfortunately, over time a sizable amount of this revenue has not been used for its intended purposes, resulting in our Federal navigation channels not being properly maintained as well as an inequitable distribution of those funds.

Earlier this year, I am pleased to say that AAPA members were able to reach a historic industry agreement on a long-term funding solution for port maintenance that represents a culmination of many years of industry deliberations. I have attached a more detailed description of this plan to my written testimony, and I hope that members of this committee will be supportive of adopting the AAPA HMT funding solution.

Customs and Border Protection programs are also important to international trade handled through seaports and have an impact on port efficiency. Each year, roughly 1.2 billion metric tons of foreign trade cargo, including more than 32 million TEUs in containers arrive at U.S. seaports. Additionally, many international passengers begin and end their cruises at U.S. seaports.

Two key programs for seaports are CBP inspection programs and design standards for Federal inspection stations at those ports. We urge a close look at how to improve these programs and also to make them more fair and responsive.

Finally, let me end with a deep appreciation from the port industry to this committee on the final version of the tax bill that did allow private activity bonds to remain, with their tax benefits. These are a very important tool in funding port infrastructure projects. Similarly, we urge the committee to identify a fix to restore the authority for advance refunding of municipal bonds.

Again, thank you very much for the opportunity to share the port industry's thoughts on these key issues today.

Senator CORNYN. Thank you, Mr. Nagle.

[The prepared statement of Mr. Nagle appears in the appendix.]

Senator CORNYN. Mr. Contreras, let me talk to you a little bit about NAFTA. Mayor Saenz talked a little bit about the trade controversies we are having, tariffs and the like, and the uncertainty that that brings to our economy. What was the figure you mentioned? How many American jobs depend on Mexican trade?

Mr. CONTRERAS. There are currently 14 million jobs, 9 being with Canada, 5 being with Mexico.

Senator CORNYN. Okay.

I think that is an important number, because I think most people think that NAFTA is really more just a border issue, when in fact, it does affect job creation and the economy of the entire country.

I know that talking to Secretary Mnuchin following his visit to Mexico City with Secretary Pompeo and others, he told me that his hope is that they can quickly consummate a modernization of NAFTA following the election that recently took place in Mexico. Now they know who is going to be in charge and apparently, that provides a better condition to hopefully consummate that here quickly. But what would be the impact on Texas nationally if NAFTA were terminated?

Mr. CONTRERAS. Mr. Chairman, thank you for the question.

It would put at risk close to 382,000 jobs in the State of Texas alone. It would put at risk the trade between the U.S. and Mexico, which is worth more than $1 million in goods every minute. In addition to that, it would place at risk the unemployment rate in our region, the Rio Grande Valley.

Governor Abbott recently pointed out the unemployment rate was close to 23 percent in our region at the time of the agreement of NAFTA. Currently it is close to as low as 4.5 in some of our cities that depend closely on international trade agreements.

So there would be several factors that would impact our communities in a negative way.

Senator CORNYN. So it is true that NAFTA is largely responsible or at least contributes to the continued economic growth of not only the border region, the Rio Grande Valley, but also to the southwest border region generally?

Mr. CONTRERAS. Yes, Mr. Chairman. In fact, we see tremendous growth when it comes to legitimate trade across from California all the way to Texas through the ports of entry that generate economic impact.

Senator CORNYN. As far as what you see happening in Mexico these days, politically and economically, what would be your best projection or estimate of whether we will continue to see that trade grow or contract or be stagnant? What is your best guess?

Mr. CONTRERAS. The guess assessment would be continued growth. There is obviously concern with security that is occurring in Mexico. However, legitimate trade, we continue to see that.

Also, primarily in the fresh vegetables and fruits that are crossing from Mexico into the United States through our ports of entry, we have seen two international bridges, one being in Pharr, another one in Arizona, continue to see increase of trade when it comes to produce. That is part of our dinner table.

Senator CORNYN. Mayor Saenz, I know Laredo was—is it the largest inland port in the country?

Mayor SAENZ. Laredo is the first inland port in the entire country, as we call it—we are the number two port overall in the country, after Long Beach.

Senator CORNYN. And how many trucks cross the U.S.-Mexico border at Laredo each day?

Mayor SAENZ. Well, I am told recently that it is 16,000, that is 8,000 going north and about 8,000 going south. So there is a tre-

mendous flow of traffic and commerce that flows through the Laredo ports.

Senator CORNYN. And how quickly and how efficiently that flows is dependent on the infrastructure you talked about and the staffing at the ports of entry, right?

Mayor SAENZ. Well, yes—personnel staffing and infrastructure, obviously, and of course, the close coordination that we have with our Mexican counterparts as well.

See, it begins in Mexico, and we need to coordinate or align that flow into the United States. So this is why it is important to maintain good relationships with the Mexican counterparts as well.

Senator CORNYN. And so far as security is concerned—and I know we are primarily focused on trade here and legitimate traffic and travel across the ports of entry. But unfortunately, when we were unsuccessful in achieving some bipartisan compromise on the DACA issue, the Deferred Action on Childhood Arrivals, as you probably know, there was roughly $25 billion that would be set aside for border security. But $5 billion of that was going to be directed toward infrastructure, technology, and staffing at the ports of entry.

And it is unfortunate we were unable to achieve a resolution of that. But I know you know that I am well-aware of the challenges that you face in Laredo and the Rio Grande Valley on a daily basis, and we are determined not only to get a solution to some of our broken immigration system, but also to make sure that while we secure the border, we also make sure that we can facilitate legitimate trade and commerce across the border. It is the lifeblood of that region, certainly, and of our country.

Let me close on one last question. How important in your view, Mayor, is it to improve the ports of entry from the standpoint of illegal drugs coming across? I think you said 75 to 80 percent of the illegal drugs that come across come in at the ports of entry?

Mayor SAENZ. Data shows that it is between 80 and 85 percent.

Senator CORNYN. Eighty and eighty-five percent.

Mayor SAENZ. Obviously, we have two factors. We have the demand factor from the U.S.

Senator CORNYN. Right.

Mayor SAENZ. And of course we have the supply factor coming from Mexico and other areas. But again, it goes back to the main points we have been trying to emphasize here—by all of us here—which are, if we could put more personnel for inspection, better technology to interdict and detect, and of course the infrastructure too, the proper lanes for better inspection, so——

Senator CORNYN. I think that is an important point.

Thank you for your comment about demand. Secretary Kelly, actually when he was General Kelly, before he became Secretary of Homeland Security, now of course Chief of Staff to the President of the United States—when I would talk to him about his experience with Southern Command—when he was in the Marine Corps, he was in charge of everything south of Mexico, Central America, and South America—he would constantly make the point to me that we were not going to solve the illegal drug problem until we did something about the demand side, which perhaps is the hardest part of all.

But we know that the opioid crisis, which manifests itself in prescription drug abuse, also extends to heroin, which mainly comes now across the southwestern border from Mexico, as well as fentanyl synthetic opioids that are imported from China and come up through Mexico into the United States.

So it is critical not only for commerce and trade and jobs, but also in terms of our ability to control the flow of illegal drugs in the United States, particularly the opioid crisis, for us to upgrade and improve our ports of entry from a technology, infrastructure, and as you said, from a staffing perspective.

Senator Casey?

Senator CASEY. Mr. Chairman, thanks very much.

I want to thank the panel for being here today and for testifying. I am going to start with the Pennsylvanian, Mary Ann Bucci.

Mary Ann, thank you for being here. I have known Mary Ann for years. I know of her good work at the port of Pittsburgh, 18 years now. And she does it all, and I am grateful that she is with us.

Mary Ann, I wanted to start with the inland waterways system, just generally, because I sometimes think we do not have an appreciation for that system here in Washington. Every once in a while we get a good reminder both by way of the impact it has on the country, the impact it has, of course, on commerce itself, but just the volume of commerce.

Can you give us some perspective? I know in your testimony you highlighted some of the data, but just by way of an example or some data, just give us a sense of the impact on commerce and what you see at the port of Pittsburgh.

Ms. BUCCI. Well, from a national standpoint, like I said in my testimony, it is over 550 million tons of freight on the inland waterways worth over $300 billion. And when you look at how it affects individuals or a consumer, when you transport goods, or when you buy a product, you are paying the transportation costs. Whether it is a TV or a boat or a car, you are paying the transportation costs of that product.

Barge costs are about 1 to 2 cents per pound on whatever commodity you are shipping. Rail would run around 4 to 6 cents, and trucking is 10 to 15 cents. So it is a huge economic savings when barges are part of the equation on the end use of a product to consumers. It is the cheapest and most environmentally friendly mode of transportation. It has not changed much in over 100 years. It pretty much moves up and down the rivers the way it always did, but obviously it needs good infrastructure. It needs to be reliable, and we need to get containers on the river, is what we need to do.

Senator CASEY. Well, you and others have given me a great education. I want to go back in time a little bit to just back in 2014 where we were working on this issue here in the Senate. I was working with Senator Alexander from Tennessee, who understands it from the perspective of his State and his work.

At the time we were trying to raise the inland waterways trust fund user fee by 9 cents per gallon of barge fuel, which would help pay for infrastructure improvements in the system.

Senator Cornyn knows as well as I do, it is rare when a group of constituents from any State comes up to you and says, "Charge us more." It does not happen too often. But they were willing to

increase that barge fee, and that gave us the resources. The Congressional Budget Office estimates that this change alone would raise something on the order of $260 million. And I guess my question for you, Mary Ann, about this is, can you tell us how this change, which was, of course, supported by industry, has benefited the inland waterways system both in Pennsylvania—I would say particularly in Pennsylvania because of your work, and the harm that comes from not adequately funding the Army Corps and the trust fund?

Ms. BUCCI. Well, that goes back to—you introduced the RIVER Act in 2012. And the whole industry thanks you and Senator Alexander for getting that done, because it was a real turning point in moving these projects forward. So what the RIVER Act did was the beginning of the Water Resources Reform and Development Act of 2014. What that did for inland waterway infrastructure is, it changed the dynamics of the Olmsted cost sharing.

So in any of these capital development projects, 50 percent is from the general fund, 50 percent is from the commercial barge users. And they are the only users of the river that actually pay additional money to be there. Once that mechanism happened, that allowed us to free up money, because Olmsted was bankrupting the trust fund. So the only project for a year that was being done was Olmsted. And all the other projects were just sitting still.

What the barge users and the industry supporters decided is, really the match needed to be picked up too. And that was a 45-percent increase they took from 20 to 29 cents. I think the actual figure is about $360 billion. I think every penny generated $9 million worth of revenue, according to the Corps of Engineers. And that allowed four projects to get fully and efficiently funded in the last 5 years since WRRDA 2014.

Olmsted is going away, and if that mechanism, that $400 million, is where we are at right now to keep five projects ongoing fully and efficiently funded, if that goes away, the trust fund gets between $115 and $120 million per year. That construction project will go down to $220 million. You are going to lose two projects of the five, and you are going to go back into that rotation of it taking decades. And in order to get through the 25 projects on the Capital Development Plan, it will take over 40 years versus trying to get through it in 20. So full and efficient funding is very important.

Senator CASEY. Thanks for laying all of that out.

I wanted to—I know we have to move on. I guess the other part that is important to highlight with the waterways system is just the impact it has on the multi-modal part of our commerce. If you could just give us examples from the Port of Pittsburgh vantage point about the impact of the system on what some call intermodal, and in this case it is really multi-modal.

Ms. BUCCI. Right. And that is how we view barge, as part of the entire supply chain. Any of the terminals that are along the river systems in the Port of Pittsburgh Commission are connected to a rail line, whether it be the CSX, the Norfolk Southern, the Wheeling and Lake Erie. There is not one that does not have access to a rail line or a truck, because the water only goes to where it goes.

And you, obviously, need to be connecting to rail and to truck. So where some people think we compete against rail, we do not. We

just need to be the more economical sense of the whole supply chain in order to kind of reduce the costs for the consumer, and we are just one of three pieces.

So that is very important. And if you look at how the inland waterways play an important part on a national level—people in St. Louis are now reverting containers back into Baton Rouge and Memphis because it is less expensive than trying to railroad or truck back empty containers for exporting.

Senator CASEY. Mary Ann, thanks very much. I know we are out of time.

Senator CORNYN. Thank you, Senator.

One more question for Mr. Contreras and Mayor Saenz. This has to do with funding, which is always an issue.

In the absence of adequate Federal funding to deal with ports of entry infrastructure and staffing—I know we have been able to work on creative pilot projects, and now the Cross Border Trade Enhancement Act that was signed into law in 2016 allows the Federal Government to partner with local jurisdictions and stakeholders to help provide enhanced infrastructure and staffing.

Mr. Contreras, would you mind sharing with us your experience? Certainly we do not want the Federal Government to foist off on local stakeholders its responsibility to deal with international borders. But what is your experience dealing with the Cross Border Trade Enhancement Act in these private-public partnerships?

Mr. CONTRERAS. Well, Mr. Chairman—and thank you for your leadership in those initiatives. They have provided a tremendous opportunity impact as a tool for our ports of entry to engage in such agreements which are, at this point, primarily used through local governments that are supported, such as the Hidalgo-McAllen Bridge, Laredo, as well as Pharr.

What we encourage—and we look forward to working with the committee and also Congress—is identifying measuring tools that provide an opportunity for private business to be able to get a return on their investment. Currently, it is local governments that are investing in the program. However, we look forward to working with your office to be able to identify some of those.

And an opportunity could be where businesses may be able to write down any debt that they may incur as a part of their donation. And this, again, is from private business.

It is a tremendous tool for our ports of entry.

Senator CORNYN. How about Laredo, Mayor?

Mayor SAENZ. Yes. We are very excited, as you know, Senator. We do have a contract—it is ongoing—where the city of Laredo has entertained and now is constructing a FAST lane through State monies—and indirectly or directly through Federal monies as well through the State. And of course, locally, $10.3 million is now being expended on a FAST lane at the World Trade Bridge. That, obviously, is going to be donated to the Federal Government as well. And that is going to facilitate the fluidity of commerce through the World Trade Bridge, which is basically the number one land port of the Nation.

So it has its place. Again, I would echo the same sentiment here: if we could open it up, incentivize more the private sector to participate where they can get some return on their investment, I

think that would be helpful. But currently it is public-public, cities with the Federal Government engaging in these arrangements.

Senator CORNYN. So it is public-public partnerships, as you said.

Mayor SAENZ. Correct.

Senator CORNYN. And it applies, of course, to air- and seaports.

Mr. Nagle, does your association, your membership, have much experience with using this public-public or public-private partnership under the Cross Border Trade Enhancement Act to enhance seaports?

Mr. NAGLE. Well, in general, most of what our members do is related—in terms of infrastructure development, et cetera—is generally related to some level of a public-private partnership.

The $155 billion that is planned to be invested, much of that is working with their private-sector partners that provide those capabilities to help identify financing and funding in those projects.

Senator CORNYN. Senator Casey?

Senator CASEY. Just one quick question—I think it will be very quick.

Mr. Nagle, in your testimony on page 3, I guess it is the third paragraph, you said—referring to Congress tripling the TIGER/BUILD program for fiscal year 2018, bringing it to about $1.5 billion, you said, "TIGER/BUILD is a vital program for port infrastructure both inside the gate and to support the connecting road and rail infrastructure."

So I guess my question, and I am assuming the answer will be "yes," is that you did not agree with Director Mulvaney when he proposed eliminating the TIGER program, which we now call BUILD in the last two budgets?

Mr. NAGLE. That is correct, sir.

We did not, certainly, approve of the President's budget that included an elimination of the TIGER, now BUILD, program. We were very pleased that Congress did triple the level of funding to $1.5 billion for this year. And we are also supportive of the efforts that are currently underway in terms of fiscal year 2019 and that program. It has been an incredibly valuable program not only for ports, but for much in terms of freight transportation and moving goods into and out of our Nation.

For our members, it is the only general funding source that is available for port-related infrastructure that is 100-percent multimodal and does not limit the—much of the projects in and around ports are multi-modal, to your question earlier. And the INFRA program through the FAST Act has a multi-modal cap that limits that availability, whereas the BUILD program is available for many of those projects, again, both inside the gate as well as the connections outside the gate. And we just did a study recently that identified $20 billion in multi-modal needs in and around seaports. So the BUILD program is vitally important toward that effort.

And again, I would just quickly note that, again, these are generally last dollars to cobble together the funding to enable these important projects to move forward. And then they complement the other investments that are being made at the local and the private-sector level in terms of that overall supply chain in and out of our ports.

Senator CASEY. Thank you very much. Thank you, Mr. Chairman.

Senator CORNYN. Well, thanks to each of you for your important contribution to this hearing today. I want to thank Senator Casey and his staff for working with us on this hearing. And as a reminder, the deadline for filing any additional questions or statements for the record will be 2 full weeks from today.

So at this time, the Senate Committee on Finance stands adjourned.

[Whereupon, at 4:40 p.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF MARY ANN BUCCI, EXECUTIVE DIRECTOR, PORT OF PITTSBURGH COMMISSION

Chairman Cornyn, Ranking Member Casey, and members of the subcommittee, I thank you for the opportunity to testify before you today on "Trade and Commerce at U.S. Ports of Entry." My testimony will focus on the importance of ports and the inland waterways transportation system, and their importance to our national economy, trade, and competitiveness.

I am Executive Director of the Port of Pittsburgh Commission, located in Pittsburgh, PA. In order to create jobs and improve the quality of life in southwestern Pennsylvania, it is the mission of the Port of Pittsburgh Commission to promote the commercial use and development of the inland waterway-intermodal transportation system and to integrate that system into the economic, recreational, environmental, and intermodal future for the residents and industries of southwestern Pennsylvania.

FOUNDING FATHERS' VISION

From the United States' founding, even before the U.S. Constitution was adopted, the inland waterways system was recognized as an invaluable natural asset. President George Washington wrote 225 years ago: "Prompted by these observations, I could not help taking a more contemplative and extensive view of the vast inland navigation of these United States, from maps and the information of others; and could not but be struck with the immense diffusion and importance of it, and with the goodness of that Providence, which has dealt her favors to us so profuse a hand. Would to God we may have wisdom enough to improve them." Due to the bounty of our Nation's geography, we remain blessed with the world's preeminent inland waterways transportation and port system. There are 12,000 miles of navigable inland and intra-coastal waterways transporting more than 550 million tons of cargo valued at $300 billion (2016).

The Port of Pittsburgh handled 22.5 million tons of cargo in 2016. This included 15 million tons of coal and over 1 million tons of petroleum products. Another 5 million tons was comprised of sand and gravel and other basic building materials. Because cargo must pass through several locks as it moves through the port, our locks are quite busy, locking through an annual average of 100 million tons of cargo or about 130,000 barges.

To keep the "building block" commodities—agricultural and energy products, building materials, and over-sized cargoes such as NASA rocket boosters or the prefabricated components of a $6-billion ethylene cracker plant being built in western Pennsylvania—moving on the waterways, there are 219 locks and 176 sites on the inland system. These locks and dams allow users of all types—commercial and recreational—to navigate their transit across the system while being assured that the depths those users require are available.

Beyond enabling commercial and recreational transportation, the inland waterways provide flood control, enable stable water supply for communities and industries, facilitate hydroelectric power, offer recreation such as fishing and water sports, enhance regional economic development, and secure our national defense. The ports and inland waterways also provide one of the best returns on investment, generating $10 in annual net economic benefits to the Nation for every $1 expended by Corps of Engineers' Civil Works Mission projects (source: U.S. Army Corps of En-

gineers). According to the International Trade Administration, Pennsylvania has 176,000 jobs that are supported by exports, ranking 11th among all States.

America's inland waterways system is number one in the world, but is not without its challenges, as international competitors continue to improve their systems and facilities. More than half of the locks and dams on the U.S. inland waterways are past their 50-year design life, with most locks and dams built in the 1930s under The New Deal of President Roosevelt. In fact, Pittsburgh has some of the oldest locks and dams in the Nation. Some system segments, particularly older portions located on the Upper Mississippi, Illinois, and Tennessee Rivers, rely on antiquated 600-foot-long locks that are unable to accommodate today's standard 15-barge tows, impacting shippers' efficiency and competitiveness to reach the world stage.

Our locks and dams, and our ports, require attention and financial recapitalization for operations and maintenance, dredging, and channel and harbor improvements to maintain reliability and sustain our Nation's economic well-being and standard of living.

AMERICAN, PENNSYLVANIA COMPETITIVENESS

Currently, there are 25 high-priority inland projects either underway or awaiting construction on the inland waterways system. A top priority project is the Lower Monongahela Locks 2, 3, and 4, located in my backyard of Pittsburgh. This project will replace three nearly 100-year old locks and dams. The problem is that the process to construct lock and dam projects in 3 to 6 years—as they were built in the 1930s–1940s—today takes decades. The Lower Mon project is going on its 24th year of construction, a project that should have been completed in 10 years. Not only are we in the 24th year of a 10-year project, the project will come in under-delivered with only one reliable lock chamber being completed. The initial project cost was $750,000,000, with an estimated completion date of 2004, and the current cost is now $1,230,000,000, with an estimated completion date of 2023. The estimated cost to complete the entire project, which includes a second lock chamber and a railroad bridge modification, would come in at a cost of $2,760,000,000 and a completion date in the year 2061. For Pittsburgh and America to stay competitive in foreign markets, we must get back to constructing navigation projects in less than 5 years. The Upper Ohio Navigation Study has been going on for 17 years at a cost of over $19.5 million thus far. It is now on its third iteration of the study. Each year the project is delayed costs the region $1.29 billion in economic loss. A major failure on the Upper Ohio River would shut down the entire port of Pittsburgh.

New industries are coming to Pittsburgh, such as the Shell Chemical Appalachia Cracker plant. This plant will support 600 permanent jobs and will utilize 6,000 construction workers. It will consume 105,000 barrels of ethane per day, and produce 1.6 million tons of polyethylene pellets per year.

The waterways truly deliver for southwestern Pennsylvania, for the Ohio Valley region, and the Nation. But the current rate of investment means that many of the priority projects will not begin construction within the next 20 years, as our foreign competitors outspend us to modernize their infrastructure to get ahead.

As this subcommittee continues to consider trade and commerce in the United States, I urge you to appreciate the conduit of the inland waterways and port system to American competitiveness and growth. Modernizing our ports and rivers is an investment in our Nation's continued economic prosperity because grain, petroleum, steel, chemicals, building materials, and over a half-million jobs are riding on our waterways transportation system and through our ports.

This concludes my testimony, Mr. Chairman. Thank you for providing this opportunity to be here today to address this critically important subject.

Figure 1—U.S. National Defense is still a critical role of the inland waterways. Shown here, military equipment transits through Kentucky Lock, 2018.

Figure 2—The M/V Big Eddie of Crosby Marine is seen at Monaca, PA (Mile 27.9 of the Ohio River) on May 30 with a deck barge carrying a large refiner vessel for the Shell Oil Corporation ethylene cracker plant under construction. Shown here are pumps used to level the barge for unloading, and the heavy-duty flatbed carrier to transport the equipment to the construction site. (Photo by Eric M. Johnson, Waterways Journal*)*

Figure 3—Braddock Dam being floated up the Monongahela River on July 26, 2001.

Figure 4—Elizabeth Lock dewatered revealing its deteriorated condition.

Figure 5—The Port of Pittsburgh is able to support growth industries such as building of new barges.

Figure 6—The Port of Pittsburgh even supports such industries as luxury river cruise lines.

PREPARED STATEMENT OF HON. ROBERT P. CASEY, JR.,
A U.S. SENATOR FROM PENNSLVANIA

I want to thank Senator Cornyn for his work and our work together on what has become a series of subcommittee hearings on important matters for our national security and our economic security. Our Customs officers protect both our national and economic security. A secure border must be a priority, and Democrats and Republicans have worked in a bipartisan way to secure $14 billion in funding for Customs and Border Protection, including $1.6 billion for border security. As we work to secure our borders, it's also imperative that our immigration laws are humane and uphold American values. The administration's policy of separating children from their families is an insult to those values and we must insist that families are reunited. The administration must get this done. There's no reason why we cannot develop a border policy that is both humane and protects our national security. It is also imperative that we ensure the safe and secure flow of commerce and have the appropriate staffing and funding levels to prevent unscrupulous actors and trade cheaters from profiting from the sale of dangerous or illicit goods.

It has been 2 years since the enactment of the Trade Facilitation and Trade Enforcement Act, so called TFTEA, where we worked in a bipartisan way to provide Customs with new and expanded authority to combat child and slave labor, to protect intellectual property, and combat those attempting to evade out trade laws.

Our Customs officers are on the front lines of this fight, working to prevent pirated goods from harming U.S. businesses, or dangerous fake goods from harming or even killing consumers. Our Customs officers are responsible for an enormous area of responsibility, from interdicting opioids like fentanyl, to illicit goods, adapting to an ever-evolving threat matrix, to our agricultural specialists who protect us from imported pests and disease, and ensuring countries like China that cheat on trade cannot circumvent our trade laws.

But our Customs officers are under strain. Staffing shortages mean that officers are asked to work double shifts—16-hour days. Some are asked to serve 90-day tours away from their home and families at facilities that are short-staffed. It's impossible for this not take a toll on an officer's family's home life. Commissioner McAleenan, I know this is something that's important to you as well, and I appreciate that.

Safeguarding our long-term competitiveness also means making a sustained and coordinated investment in our infrastructure. Trade is not simply about exports to the rest of the world; it's about American-made goods flowing to destinations across our Nation. Our inland waterways are critical to that competitiveness.

Our inland waterways provide an economical, environmentally friendly mode of transportation. From Pittsburgh to Louisville to the Twin Cities to St. Louis, our inland waterways are responsible for shipping billions in American goods throughout our Nation.

Our inland waterway system served as an economic backbone for our country as we grew and expanded, connecting pioneers with the rest of our country, bringing goods from our landlocked States to the coast. This system remains the linchpin of our intermodal system. One of the first things you see at the port of Pittsburgh is the rail lines; they are truly integrated in the American supply chain, connecting businesses and their products to markets across the country.

Keeping our waterway infrastructure navigable is critical to competitiveness for the entire Nation. To serve our growing U.S. markets, we must make the kind of concerted infrastructure investments that our parents had the good sense to provide for us. And we must ensure at the same time that agencies tasked with protecting our Nation have the funding they need to execute their jobs to the fullest.

PREPARED STATEMENT OF SERGIO CONTRERAS,
VICE CHAIRMAN, BORDER TRADE ALLIANCE

The Border Trade Alliance thanks the committee for the opportunity to provide this written testimony for the record and to provide oral testimony at the hearing on July 18, 2018.

The BTA is committed to working with the administration and Congress to devise policies that ensure our ports of entry are best equipped to speed the passage of

legitimate trade and travel, while preventing the entrance of contraband or individuals who would seek to do harm.

THE BORDER TRADE ALLIANCE

For over 30 years, the BTA has provided a forum for analysis and advocacy on issues pertaining to the U.S.-Canada and U.S.-Mexico border regions. A network of public and private sector representatives from all three NAFTA nations, our organization has been involved in a number of important border issues, ranging from the implementation of the North American Free Trade Agreement, to the original organization of the Department of Homeland Security, to the perennial issues of staffing, infrastructure, and trade processes.

PORTS OF ENTRY: GATEWAYS TO U.S. COMMERCE, LAST LINE OF DEFENSE

Nearly 9 million U.S. jobs depend on trade with Canada. Five million U.S. jobs can be attributed to trade with Mexico. Our three nations' supply chains are deeply integrated, which has created a highly efficient, just-in-time manufacturing environment that has resulted in an enhanced quality of life throughout the region. Just moving goods across the continent was responsible for nearly 50,000 jobs in the trucking industry alone in 2016.[1]

Our ports of entry are where we see this incredible enterprise take place. Component parts moving back and forth before they become part of a finished product. Fresh fruits and vegetables on their way to U.S. grocery stores ensuring that produce is never out of season. Workers, shoppers, and tourists crossing to enjoy attractions on either side of the border or to visit family and friends. By any measure, well-functioning ports of entry are essential to our Nation's economic health.

But our ports of entry are also highly integral to our country's security. Without the proper resources—personnel, technology, and infrastructure—our ports can be exploited by smugglers or others with motives that run counter to the rule of law.

The BTA has long supported additional resources for Customs and Border Protection personnel at the ports of entry. The reason is simple: more resources devoted to inspecting and clearing legitimate freight and travelers mean more resources for interdiction.

ENSURING OUR PORTS ARE ADEQUATELY STAFFED

The U.S.-Canada and U.S.-Mexico borders are challenging environments for those of us whose daily livelihoods depend on cross-border trade. Most U.S. citizens also benefit from this trade, which delivers greater variety and lower prices on store shelves.

Staffing levels by our inspection agencies, specifically Customs and Border Protection, are not commensurate with today's trade volumes. Despite funding provided previous budget agreements to hire thousands of new CBP officers, a large percentage of those allocated positions remain unfilled.

In an April 2016 hearing of the Border and Maritime Subcommittee of the House Homeland Security Committee, CBP acknowledged the agency's 18-month hiring process proves challenging to its recruitment efforts.[2] Earlier this year, that same House subcommittee heard testimony from CBP's employee union that the agency has nearly 1,200 open positions.[3]

I can assure you, if those of us in the private sector took 18 months to recruit new talent, or if we were unable to fill positions essential to our economic success, we would soon be facing a catastrophe.

Encouragingly, the trendlines on hiring appear headed in the right direction, but it is a process that is still taking too long.

According to a GAO report released last month, thanks to improved recruiting efforts, applications to CBP (Office of Field Operations, Border Patrol, and Air and Marine) for FY 13–FY 17 more than tripled, and a larger percentage of applicants

[1] American Trucking Associations' Economics Department.

[2] *https://mcsally.house.gov/media-center/press-releases/us-rep-mcsally-leads-hearing-border-infrastructure-manning-needs.*

[3] *https://federalnewsradio.com/hiring-retention/2018/01/as-trump-debates-border-security-field-agents-decry-existing-dire-staffing-shortages/.*

are getting hired. Unfortunately, however, it still took more than 300 days, on average, for CBP officer applicants to complete the hiring process.[4]

Our organization and members of both parties have supported reforms that would ease CBP's hiring struggles, including legislation that would streamline the recruitment process by waving the existing polygraph exam process for current State or local law enforcement officers in good standing if they have already completed a polygraph examination as a condition of their employment or, in the case of Federal law enforcement officials, if they have already completed a Tier 4 or 5 background investigation.

Approaches to recruitment like these are important as we seek new ways to attract talented, qualified individuals into CBP careers with as few redundant, bureaucratic hurdles as possible, while still strengthening border security and ensuring the highest degree of confidence in new recruits.

The BTA also appreciates the efforts of the chairman, who has pursued legislation in previous Congresses that would authorize funding for CBP staffing increases directed specifically to land border ports of entry and to infrastructure upgrades.

The BTA recognizes that Federal budget dollars are not unlimited, and there are plenty of interests competing for funding attention on Capitol Hill. However, we believe strongly that the American taxpayer would be well served by Federal spending on CBP port personnel.

The National Center for Risk and Economic Analysis of Terrorism Events at the University of Southern California found in 2013 that the addition of just one CBP officer can inject $2 million into the U.S. economy and create 33 jobs.[5] Quite simply, trade means jobs. The private sector cannot wait until the government makes the necessary budget corrections to meet the market-driven demands of trade and commerce.

INNOVATIVE INSPECTION PROCESSES

Delays at the border lead to increased costs for consumers, poorer air quality in and around border communities due to idling trucks, and diminish the overall competitiveness of the U.S.-Canada and U.S.-Mexico regions.

There have been developments of late, however, that the BTA hopes are a sign of positive things to come.

Unified Cargo Processing

The BTA is very encouraged by the concept of unified cargo processing (UCP) that has been deployed at ports of entry along the Mexico border.

Under UCP, U.S. and Mexican Customs personnel work side by side on U.S. soil to conduct outbound and inbound inspections. Each country's officer can make the determination as to whether to send a shipment to secondary inspection. Even in the case where a more invasive inspection is required, UCP ensures that a shipment is only unloaded once, if at all, rather than what exists under the legacy inspection model, whereby a truck could be unloaded in its country of origin and its country of destination.

UCP represents an example of making our ports of entry more efficient through better regulations, while ensuring security and increasing capacity. Coupled with new technology that increases non-intrusive cargo searches, the port of the future will deliver real improvements in security and freight mobility, which will expand job-creating commerce and trade.

In the case of the international bridge in Rio Grande City, TX, for example, 100 percent of northbound cargo is eligible for UCP, essentially doubling the bridge's importing infrastructure capacity. The port still maintains the ability to electronically scan 100 percent of cargo and share inspection images with Mexico.

We're seeing the concept in the air environment too. At the Phoenix Mesa Gateway Airport outside Phoenix, UCP now allows Mexican-bound cargo flights to depart the airport as Mexican domestic flights because the cargo has already been inspected by U.S. and Mexican Customs.

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[4] *https://www.gao.gov/products/GAO-18-487.*

[5] *http://www.cbp.gov/border-security/ports-entry/new-report-links-cbp-officer-staffing-economic-growth.*

UCP represents an approach to inspections that should be the norm in a 21st-century economy in the world's most consequential trade pact. It also reflects the incremental progress achieved in previous pilot programs conducted between the U.S. and Canada and the U.S. and Mexico to inspect cargo before it leaves its country of origin.

BORDER INFRASTRUCTURE THAT LEADS TO FEWER DELAYS, LESS CONGESTION

Aging, outmoded infrastructure is also a major challenge for the trade community. Land border ports of entry average 40 years in age, many built before the North American Free Trade Agreement was even a consideration.[6] As a result, their configurations are oftentimes not well suited to the throngs of commercial trucks they must process on a daily basis.

The trade community's concerns over staffing levels and infrastructure are not mutually exclusive. Both must be addressed if we are to realize the full benefits of international trade.

For example, Nogales, AZ's Mariposa port of entry is home to one of the Nation's busiest commercial ports for produce, specifically winter fruits and vegetables grown in Mexico.

In order to keep pace with the Mariposa port of entry's ever-growing trade volumes, the General Services Administration in fall 2014 officially completed an 8-year-long $250 million reconfiguration of the port campus that doubled from four to eight the number of commercial lanes. The port was originally constructed in 1973 and was not suited to process the nearly 4,000 trucks that make their way through it each day.

Unfortunately, the port is not reaching its full potential due to CBP's struggles to staff the port at full capacity during peak traffic periods, which leads to lane closures.[7] As you can imagine, a remodeled Mariposa port of entry that is not fully operational is a source of frustration for the produce community and Nogales-area stakeholders.

Similarly, the growth in south Texas ports of entries from manufacturing to produce was predictable 10 years ago when Mexico started making significant infrastructure improvements like new transnational highways and the construction of the world's highest suspension bridge.

We would encourage congressional committees with relevant jurisdiction, as they consider future border station construction, to work closely with committees with oversight over CBP staffing, Federal and State highway needs, Department of Transportation and State DOT inspection staffing issues. Better coordination will help ensure that precious taxpayers dollars pay dividends to our citizens and the businesses that drive our economy by aligning infrastructure expenditures with staffing expenditures.

LEVERAGING PRIVATE-SECTOR RESOURCES TO IMPROVE BORDER CROSSINGS: SECTION 560

Section 560 (and its successor, section 559) is, in many ways, part of the answer to the trade community's ongoing calls for a creative response to consistent concerns over border port infrastructure challenges, while also an acknowledgement that Federal budgets are tight and that we must fund future construction in new ways.

Thanks to innovative thinking within the Department of Homeland Security, CBP, and leaders in Congress, the trade community now has a viable option to work in tandem with State and Federal partners to supplement staffing levels and improve infrastructure to support secure international trade.

Under these reimbursable service agreements, local governments and private sector entities can apply available funds to secure expanded services at their POE to facilitate trade and travel processing. Under the agreements, CBP must exhaust its available budgeted resources before tapping those of its partners.

Beginning in 2014, section 559 expanded its eligible service offerings to include customs, agricultural processing, border security services, and immigration inspection-related services at POEs. Section 559 also opened the possibility of infrastruc-

[6] *http://www.bloomberg.com/news/articles/2013-05-15/border-delays-cost-u-s-7-8-billion-as-fence-is-focus.*

[7] *http://tucson.com/news/local/border/staffing-shortages-keep-expanded-port-of-entry-partly-closed/article_6bd41f7e-6304-5d43-b259-3dfda6daca96.html.*

ture improvements under a donation acceptance authority with CBP and the General Services Administration, which allows for the transfer of real or personal property intended for the construction of a new POE or the maintenance of an existing one.[8]

FLEXIBILITY AND ROI: MAKING THE DAP ATTRACTIVE

While we applaud the Donation Acceptance Program, or DAP, between CBP and GSA, which allows a local government or private sector entity to donate real or personal property to the Federal Government, the Federal agencies must recognize that a demonstrable return on investment will be critical to attract private dollars.

To be blunt, real estate investors and members of the international trade community are not charities. CBP should be prepared to demonstrate the financial upside for a private sector participant in the DAP, including increased trade throughput, whether by value of commodities or traffic volumes.

The BTA has had conversations with CBP, and will continue to do so, regarding our belief that new mechanisms to pay off the debt on donated priorities must be developed in order to encourage greater participation in the program.

RESPONDING TO THE SKEPTICS

We occasionally hear from some corners that these reimbursable service agreements have set an unhelpful precedent by shifting to local governments and the private sector responsibilities that should be borne solely by the Federal Government as part of its obligation to manage the Nation's borders.

We are sensitive to critics' arguments and, in a perfect world, would prefer that Federal budget allocations were able to keep pace with growing trade volumes. But these Reimbursable Services Agreements have given the trade community something it did not have before: choice.

Before the law that made these agreements possible went into effect, we had no options to help alleviate the long backups at our ports and had to suffer the consequences and the loss of competitiveness and tax dollars. Now we have the choice to enter into a contract with CBP to augment the agency's services to respond to our most pressing needs and, hopefully, receive a strong return on that investment. We hope our contributions can be replaced when budgets can pay for federally delivered services.

MAKING WISE INVESTMENTS

A final note about infrastructure: the BTA recommends that construction of new ports of entry should only be undertaken where trade flows justify new facilities.

The planned construction of a new international bridge linking Detroit, MI and Windsor, Ontario, Canada, is an example of a new facility that we believe should not be a priority and is unnecessary at this time. Its construction would be an unwise use of budgetary resources that would create an ongoing financial burden for United States taxpayers and run counter to Congress's appropriations role.

The BTA believes strongly that our Nation's land border infrastructure is central to our country's ability to maintain its physical security, efficiently process trade and travel, and secure its economic competitiveness.

In light of finite Federal resources, and because of infrastructure's importance to the U.S., we also believe that infrastructure improvements and new construction should be made only at those land ports where traffic volumes make such upgrades absolutely necessary. New construction where traffic volumes are flat or declining diverts limited resources—especially budget dollars allocated for inspection personnel—away from those locations where they are needed most.

Construction of the Gordie Howe International Bridge would prove to be one such resource diversion. The Ambassador Bridge, a privately owned bridge in the region, already is meeting the area's traffic needs. That bridge's owners are the midst of preparing plans for the construction of a new span at a cost of $400 million that will replace the current 90-year-old bridge. Traffic volumes in Detroit and across the U.S.-Canada border indicate that the $2-billion Gordie Howe is unnecessary at this time.

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[8] *https://www.cbp.gov/newsroom/blog/meeting-challenge-alternative-funding-helps-cbp-serve-stakeholders.*

According to data compiled by the Public Border Operators Association, which is comprised of representatives of border crossings linking Ontario with New York and Michigan, commercial truck traffic across the existing Ambassador Bridge fell nearly 27 percent between 2000 and 2016, and 20 percent across the PBOA ports combined. Total traffic—private vehicles, commercial trucks, and buses—fell nearly 45 percent in the same 16-year span at the Ambassador Bridge, and over 35 percent total across all of PBOA's Michigan and New York crossings. This is hardly an environment that would necessitate the construction of a new bridge to supplement the existing bridge.

Advocates for the construction of the Gordie Howe argue that the government of Canada will bear 100 percent of the bridge construction costs. The BTA believes, however, that the Gordie Howe project fails to account for the ongoing U.S.-funded resources that a new bridge would require.

The Department of Homeland Security estimates that inspection personnel costs would be $100 million in the first year and approximately $50 million annually thereafter, which undercuts Congress's role as appropriator and could run afoul of the Anti-Deficiency Act and other laws limiting authority to accept donations. U.S. taxpayers will also be responsible for ongoing maintenance costs and non-agency support staff.

Committing U.S. taxpayer dollars to an ongoing expenditure should be the responsibility of the U.S. Congress, not a foreign government. Further, ongoing expenditures should be used wisely. In the case of international trade-facilitating infrastructure and inspections, resources should be aligned with real need. Such a need does not currently exist in the Detroit-Windsor trade corridor.

We would encourage this committee to investigate the impact the Gordie Howe International Bridge's construction would have on CBP's ability to securely process existing cross-border trade and travel volumes if, as we believe, the new bridge's construction would require the diversion of significant ongoing investments by the U.S. Federal Government.

Once again, the BTA thanks the committee for the opportunity to share our organization's collective insights on issues facing our ports of entry. Please do not hesitate to count on the BTA as a resource to you in the future.

PREPARED STATEMENT OF HON. JOHN CORNYN,
A U.S. SENATOR FROM TEXAS

Good afternoon. Thank you for being here today. The topic of today's hearing, "Trade and Commerce at U.S. Ports of Entry," is one that is absolutely vital to my home State of Texas. Texas is home to 29 air, land, and sea ports of entry, more than any other State in the Nation.

Included in that list are three of the five busiest land ports of entry, and the number one inland port, in terms of total volume, along the entire U.S.-Mexico border. To further put this into perspective—about half of all U.S.-Mexico trade moves through a Texas port of entry.

I am pleased to have Kevin McAleenan with us today, the Commissioner of U.S. Customs and Border Protection. Commissioner McAleenan and the Office of Field Operations within CBP are charged with screening goods and travelers at these ports. We owe a great deal to the men and women who serve at these ports of entry day in and day out.

Last year, CBP continued to experience remarkable growth in terms of travel and trade. Over 390 million travelers were screened at land, air, and sea ports, and nearly $2 trillion worth of imports were processed. The volume of commerce crossing our borders has tripled in the last 25 years.

While this continued growth is an overall positive for our economy, we simply won't be able to maintain it without appropriately addressing staffing and infrastructure needs. While it is incumbent on the Federal Government to ensure that CBP has adequate resources to carry out its core functions, Congress must also conduct effective oversight to make sure they're meeting mandates, implementing GAO and OIG recommendations and operating with efficiency.

It is concerning to me that as of 2017, despite congressional mandates to hire additional personnel, CBP still has a staffing shortage of 2,500 officers. The GAO continues to reiterate that this shortage in trade enforcement positions has led to in-

creased wait times, which in some cases could result in shortened vetting processes and security risks.

In addition to staffing shortages, CBP officers are forced to work in outdated infrastructure, creating conditions that may affect their ability to expedite inspections and process travelers through high-volume ports.

In 2015, CBP self-reported a study that revealed the need for $5 billion to meet its infrastructure and technology requirements. At the border, antiquated infrastructure often leads to unnecessary delays, which result in an overall loss of commerce. In many instances, these delays are translated into costs for an entity that ultimately are passed on to the American consumer.

It is critical that we make port of entry infrastructure investment a top priority—so that we can adequately staff and fund the ports of entry that make trade possible in the first place. I am proud to have sponsored legislation, now in law, that directly addressed this issue—the Cross-Border Trade Enhancement Act, which codified the Reimbursable Services Program and the Donations Acceptance Program.

Public-private partnerships are an effective way to give stakeholders and CBP the ability to make improvements at all types of ports, while also saving taxpayer dollars. A number of Texas ports of entry, particularly in the land and air space, have already seen the benefits that this program can provide.

I also look forward to discussing today other initiatives currently undertaken by CBP to ease the burden on legitimate trade and travel. Programs like the Customs Trade Partnership Against Terrorism (CTPAT), the NEXUS/Preclearance Program, the FAST Program, and Global Entry can have great benefits for our national security and for the consumer and traveler. Further, programs like these allow CBP officers to focus on higher-risk goods and travelers.

Finally, I look forward to hearing from Commissioner McAleenan on implementation of the Trade Facilitation and Trade Enforcement Act (TFTEA), which moved through this committee a couple of years ago. TFTEA, which officially authorized the Office of Field Operations and streamlined a number of trade enforcement and facilitation issues, has the potential to further enhance our Nation's trade policy.

PREPARED STATEMENT OF HON. KEVIN K. MCALEENAN, COMMISSIONER, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY

INTRODUCTION

Chairman Cornyn, Ranking Member Casey, and distinguished members of the subcommittee, thank you for the opportunity to appear today to discuss trade and commerce at our Nation's Ports of Entry (POEs). As the lead U.S. Department of Homeland Security (DHS) agency for border security, U.S. Customs and Border Protection (CBP) works closely with our domestic, international, and industry partners to protect the Nation from a variety of dynamic threats, including those posed by cargo arriving at our POEs, while facilitating lawful trade and commerce.

The United States experiences an immense volume of international trade, a critical component of our Nation's economic security and competitiveness. In fiscal year (FY) 2017, more than 11 million maritime containers arrived at our seaports, while another 10 million arrived by truck and three million arrived by rail at our land ports. In addition, more than half a billion postal and express consignment packages arrived through air travel. Among these were the 110 million express consignment carrier (ECC) shipments and 500 million international mail shipments that arrived in the United States in FY 2017.

CBP's cargo security and trade facilitation missions are mutually supportive: by utilizing a risk-based strategy and multilayered security approach, CBP can focus time and resources on those suspect shipments that are high-risk. With Congress's continued support of CBP's dedicated men and women, we will continue to keep Americans and our economy safe, while facilitating the ever-increasing volume of international trade and travel.

GROWING OUR WORKFORCE

The people of CBP do the critical, sometimes dangerous, work of keeping Americans safe. The FY 2018 Omnibus provides $7.7 million to hire 328 new CBP officers. CBP officers are multi-disciplined and perform the full range of inspection, intelligence analysis, examination, and law enforcement activities relating to the arrival

and departure of persons, conveyances, and merchandise at air, land, and sea POEs, including the interdiction of narcotics at POEs, in the international mails, and in ECC environments.

CBP has faced challenges in the past in meeting our hiring goals. However, we have taken decisive action, while recognizing that much work remains to be done to ensure we have enough officers and agents to meet our needs well into the future. Over the last 2 years, more than 40 individual improvements to CBP's hiring process have resulted in significant recruitment and hiring gains, despite record low unemployment around the United States and intense competition for highly qualified, mission-inspired people. With Congress's support, we are making investments in our capability and capacity to hire across all frontline positions. We are focusing our efforts to attract qualified candidates and expedite their progress through the CBP hiring process.

CBP has embraced the use of social media, and is working to more effectively identify the best return on investment in digital media. CBP has introduced a mobile app for applicants in our hiring pipeline to keep them engaged during the process. CBP will also introduce an "applicant care" component whereby a dedicated employee is assigned to an applicant to help them navigate the process. CBP is leveraging private-sector expertise and experience in recruiting and human resources to provide additional capacity.

CBP's streamlined front-line hiring process has led to significant reductions in the average time to hire. In the last 12 months, close to 60 percent of new CBP officers on-boarded in 313 days or less, with more than 17 percent on-boarding within 192 days. While work remains to be done to improve the process, the current overall CBP officer average of 294 days to on-board is a significant improvement from the 469-day overall baseline established in January 2016. This streamlined process has helped us to grow our workforce by reducing the number of qualified candidates who drop out due to either process fatigue or accepting timelier job offers elsewhere. CBP's background investigation time is approximately 90 days for a Tier 5 level investigation, which is required for all of CBP's law enforcement officer applicants, and 90 percent of CBP applicants overall. This is considerably faster than the government average for the same level of investigation. CBP is also recognized as having a best practice quality assurance program, which other agencies regularly drawn upon.

In addition, to improve CBP staffing at certain locations, CBP utilizes group incentives such as recruitment incentives for several hard-to-fill locations, including Raymond, Montana; Jackman/Colburn, Maine; and many locations across Texas, Arizona, North Dakota, and Southern California.

As a result of these and other improvements, CBP's FY 2017 hiring totals surpassed FY 2016 totals, including an increase of 21 percent for CBP officers. The total number of CBP officer applicants increased by 89 percent between FY 2015 and FY 2017, including a 45 percent increase from FY 2016 to FY 2017.

CBP recognizes how critical our trade enforcement and facilitation role is in protecting our Nation's economic security. We know that for every dollar invested in CBP trade personnel, we return $87 to the U.S. economy, either through lowering the costs of trade, ensuring a level playing field for domestic industry, or by protecting innovative intellectual property. We are working to ensure a fair and competitive trade environment where the benefits of trade compliance exceed the costly consequences of violating U.S. trade law. The FY 2019 Budget request includes $2.1 million to fund 26 positions to support CBP's implementation of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), one of the most impactful pieces of trade legislation for CBP in more than a generation. TFTEA specifies new trade facilitation and enforcement operational requirements, organizational changes, and new authorities and services. TFTEA includes substantial changes to trade enforcement, particularly in the area of Anti-Dumping and Countervailing Duties; establishes processes for investigating claims of evasion of anti-dumping orders; enables the use of donations of technology from the private sector for enforcing intellectual property rights; and simplifies drawback processing to spur domestic manufacturing and exports.

PROTECTING OUR NATION AND OUR ECONOMY

CBP uses a multi-layered, risk-based approach to target those shipments deemed to be of highest risk. Once a high-risk shipment is identified, CBP utilizes technologies including large-scale x-ray and gamma-ray imaging systems, as well as a

variety of portable and handheld technologies, canines, and radiation detection technologies at our land, air, and sea POEs. For CBP, technology is a force-multiplier that helps us work more efficiently, with less risk to our front-line personnel.

Centers of Excellence and Expertise

CBP created the ten Centers of Excellence and Expertise (Centers) to strategically enforce customs laws while also facilitating the flow of legitimate trade. The Centers focus on three primary goals: facilitating legitimate trade through risk segmentation; improving trade enforcement efforts; and enhancing expertise within CBP. The Centers centralize and consolidate post-release activities of importers on an account basis. This means that they manage all entry summaries for an importer, where previously, these entry summaries would need to be processed at each POE where the cargo entered. Transforming how CBP processes trade increases uniformity of practices across POEs, facilitates the timely resolution of trade compliance issues nationwide, and further strengthens critical agency knowledge on key industry practices.

Aligning CBP's trade approach to the industry level sets the foundation for understanding business decisions and incorporating that knowledge into the operational execution of effective and focused enforcement efforts. As the Centers increase their industry level expertise, they provide a basis for scoping out risk within their respective industries from a national perspective, with an approach that balances compliance and enforcement and reaches down to the commodity and account level. The national authority afforded to the Centers broadens CBP's capacity for identifying systemic trade violations and strengthening detection and intervention techniques. The Centers also regularly engage with the trade community to gain invaluable information on legitimate business practices, which can be used to fine-tune detections of illegitimate business practices.

As an example of the Centers' enforcement and compliance efforts that level the playing field for businesses, the Pharmaceuticals, Health and Chemicals Center collaborated with U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigation (HSI), the U.S. Food and Drug Administration (FDA) and foreign Customs counterparts to stop the importation of illicit pharmaceuticals and medical equipment. In FY 2017, enforcement operations resulted in seizures of over 500 counterfeit, controlled, or FDA regulated goods, eliminating a significant amount of illegal pharmaceuticals from the supply stream. Additionally, the Base Metals Center coordinated special operations nationwide to target complex transshipment schemes to evade Anti-Dumping and Countervailing Duties resulting in over $15 million in recovered revenue. The Centers continue to strengthen America's economic competitiveness and security through integrated industry knowledge and expertise, innovative trade processing procedures and trend analysis, and strategic and impactful trade enforcement actions.

National Targeting Center (NTC)

At CBP's NTC, advance data and access to law enforcement and intelligence records converge to facilitate the targeting of travelers and cargo that pose the highest risk to our security in all modes of inbound transportation. The NTC takes in large amounts of data and uses sophisticated targeting tools and subject matter expertise to analyze, assess, and segment risk at every stage in the cargo/shipment and travel life cycles. As the focal point of that strategy, the NTC leverages classified, law enforcement, commercial, and open-source information in unique, proactive ways to identify high-risk travelers and shipments at the earliest possible point prior to arrival in the United States.

The NTC operates 24 hours a day, in collaboration with Federal, State, local, and international partners, to effectively identify, target, screen, and interdict inbound and outbound passengers and cargo across all international modes of transportation that pose a threat to national security, public safety, agriculture, lawful trade, and safe travel. The NTC also works to detect anomalies, trends, and violations in the global supply chain to target high-risk shipments. This high-level analysis, as well as the development of analytical tools, helps CBP identify emerging threats, including those posed by transnational criminal organizations, and take action to counter them. Furthermore, CBP collaborates with the trade community on illicit trade threats by utilizing information received from the trade community to enhance targeting capabilities.

The NTC has established the Integrated Trade Targeting Network (ITTN) as an integrated operational network between all CBP's trade targeting assets to improve communications, coordinate actions, and standardize procedures for more effective

trade targeting. In addition to the ITTN, the NTC also partners with ICE–HSI on the Tactical Trade Targeting Unit to utilize all available trade data for further research to bolster trade and targeting operations related to fraud and trade based money laundering investigations.

To bolster its targeting mission, the NTC collaborates with critical partners on a daily basis, including ICE–HSI, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the U.S. Postal Inspection Service (USPIS), and members of the Intelligence Community (IC). ICE–HSI and USPIS investigative case data is fused with CBP targeting information to bolster investigations targeting illicit narcotics smuggling and trafficking organizations. Moreover, the NTC works in close coordination with several pertinent task forces, including the Organized Crime Drug Enforcement Task Forces (OCDETF), the High Intensity Drug Trafficking Areas, the Joint Interagency Task Force-West (JIATF–W), the DHS Joint Task Force-West (JTF–W), and DHS Joint Task Force—Investigations (JTF–I). Effective targeting and interdiction prevents inadmissible high-risk passengers, cargo, and agriculture and bioterrorism threats from reaching U.S. POEs, extending our border security initiatives outward and making our borders not the first line of defense, but one of many.

Non-Intrusive Inspection (NII) Technology

CBP uses NII equipment and radiation detection technologies to maintain robust cargo, commercial conveyance, and vehicle inspection regimes at our POEs. NII technologies deployed to our Nation's land, sea, and air POEs include large-scale x-ray and gamma-ray imaging systems, as well as a variety of portable and handheld technologies. CBP currently has 304 large-scale NII systems and over 4,500 small-scale systems deployed to, and between, POEs. NII systems enable CBP officers to examine cargo conveyances such as shipping containers, commercial trucks, and rail cars, as well as privately owned vehicles, for the presence of contraband without physically opening or unloading them. CBP is establishing the Model Port concept as the guiding framework to streamline the cargo and passenger vehicle inspection process to increase the volume of vehicles examined. We anticipate completing testing and evaluation of drive-through x-ray system pilot programs this year. Additionally, we anticipate completing the technical architectural framework that will be used within the design for the Donna, Texas land POE through the Donations Acceptance Program (DAP). We will continue to adapt our deployment of NII systems so that we can work smarter and faster in detecting contraband, while expediting legitimate trade and travel.

Scanning all arriving conveyances and containers with radiation detection equipment prior to release from the POE is an integral part of CBP's comprehensive strategy to combat nuclear and radiological terrorism. In partnership with the Countering Weapons of Mass Destruction Office's Domestic Nuclear Detection Office (DBDO), CBP has deployed nuclear and radiological detection equipment, including 1,280 Radiation Portal Monitors (RPM), 3,319 Radiation Isotope Identification Devices, and 35,294 Personal Radiation Detectors to all 328 POEs nationwide. Utilizing RPMs, CBP is able to scan 100 percent of all mail and express consignment mail and parcels; 100 percent of all truck cargo; 100 percent of personally owned vehicles arriving from Canada and Mexico; and nearly 100 percent of all arriving sea-borne containerized cargo for the presence of radiological or nuclear materials. Since the RPM program began in 2002, CBP has scanned more than 1.41 billion conveyances for radiological contraband.

CBP officers also utilize NII, as well as spectroscopic and chemical testing equipment and narcotics detection canines, to detect and presumptively identify illicit drugs, including illicit opioids, at international mail and express consignment carrier facilities. In 2016, CBP tested four handheld tools and a new reagent test kit to provide immediate presumptive testing for fentanyl. Based on the results of the pilot, the Office of Field Operations (OFO) procured 12 systems for further testing across San Diego, Tucson, El Paso, and Laredo Field Offices. Last year CBP purchased over 90 handheld analyzers for deployment. Handheld analyzers improve officer safety, and provides a near real-time capability to increase narcotic interdiction.

Between October 1, 2003 and April 30, 2018, CBP conducted more than 87 million NII examinations, resulting in more than 20,000 narcotics seizures and more than $79.2 million in currency seizures.

Automated Commercial Environment (ACE)

We are committed to making sure that international commerce is secure and streamlined by continuing to invest in the Automated Commercial Environment (ACE). ACE is the "Single Window" through which all import and export data are reported by industry to more than 47 partner government agencies, automating 269 different forms and streamlining trade processes. Built on a modernized platform, ACE has resulted in a 44-percent reduction in wait times for truck processing at land POEs and a bond processing time that is 68 times faster. With the strong support of Congress, in February 2018, CBP deployed the last of the seven major scheduled core ACE deployments, and all phases of cargo processing are now in ACE. Looking ahead, CBP is focused on sustaining all deployed ACE capabilities and ensuring ACE operates as a highly available and reliable system.

In addition to funds for sustaining core ACE, CBP received $30 million in the FY 2018 Omnibus for enabling ACE enhancements, which have been publicized to CBP, trade, and PGA users. These enhancements enable further streamlining of aspects for the trade process for both industry and government and also strengthen trade security. For example, system enhancements to enable *de minimis* functionality will provide CBP access to previously unavailable admissibility data for low value shipments, resulting in improved cargo processing and use of enforcement resources.

CBP's strategic goals and priorities are informed, in part, by the Customs Commercial Operations Advisory Committee (COAC) and through active dialog with CBP, industry, government agency and congressional stakeholders. The resulting CBP trade mission agenda includes program initiatives for advancing trade facilitation, security and enforcement objectives. There is an ongoing demand for ACE capability enhancements, and CBP follows a governance process to prioritize funding for initiative automation based on evaluation criteria that account for the interests of the trade community, the potential to reduce burden on the trade community, impact to CBP users, the nexus to existing and emerging priorities and workload efficiency and operational improvement opportunities. In addition to this list of funded ACE enhancements, CBP is continuing to work through additional emerging requirements and securing funding for their development. CBP will continue to solicit input from the trade community on these efforts.

Looking to the Future

CBP continues to look for more capable technologies that are more efficient and effective, and CBP is actively engaging with our Nation's best minds in and outside of government to find innovative solutions to the challenges facing our country. For example, a key enabler of RPM efficiencies in the maritime environment is employing the concept of remotely operated RPM lanes at select seaports. CBP, together CWMD/DNDO, worked on a pilot throughout FY 2017 to pilot RPM remote operations at the seaport in Savannah, Georgia. The goal is to provide CBP field offices and ports with increased flexibility to reduce RPM operations staffing demands and redirect staff to other high priority mission areas where and when feasible.

CBP is also partnering with DHS Science and Technology (S&T) to access emerging technologies and tools from start-ups and others. From innovative surveillance approaches that can provide multi-sensor data direct to our agents, to tools to protect our canines and blockchain technology to increase transparency in supply chains, CBP will continue to push for more efficient and effective ways to support our personnel and carry out our mission. For example, S&T is conducting proof of concepts deployments in partnership with CBP that are directly focused on applications of blockchain and distributed ledger technology to shipping, logistics, and customs by providing visibility into globally distributed supply chains to help facilitate the movement of legitimate goods while combating the distribution of counterfeit goods.

FACILITATING TRADE THROUGH PARTNERSHIPS

CBP is committed to fulfilling our complex missions, and to do that, we are working with our partners across the country and around the world. I am actively seeking to deepen our partnerships across all levels of government and with our international counterparts to ensure that information is shared quickly, resources are spent where they are most needed, and that the American people and economy are kept safe.

Unified Cargo Processing

CBP and the Mexican tax service recently signed a memorandum of understanding on Unified Cargo Processing (UCP). UCP currently operates at eight POEs

along the U.S.-Mexico border, with the memorandum merging two former cargo pre-inspection sites into UCP. UCP eliminates duplicative inspection efforts while reducing border wait times and costs for the private sector. The new arrangement looks to expand the process to possibly more than a dozen locations. CBP and the National Service for Agro-Alimentary Public Health, Safety and Quality—Mexico's agency responsible for inspecting incoming goods for pests and diseases—also signed a memorandum to enable collaboration between the two agencies on agriculture safeguarding, agriculture quarantine inspections at ports of entry, and information sharing. The memorandum promotes cooperation and information sharing to enable the United States to handle legitimate and safe shipments quickly while addressing those that pose a risk.

Partnerships in the International Mail and ECC Environment

E-commerce and international mail and ECCs play an increasingly important role in the U.S. economy. Evolving business models, with increasing volumes of imports of small, just-in-time packages, have significantly altered the dynamic of the international trade environment and CBP's enforcement of trade laws, including those related to intellectual property rights and import safety.

This shift in international commerce has created significant benefits for U.S. businesses and consumers. It has also created operational challenges for CBP. E-commerce shipments pose the same health, safety, and economic security risks as containerized shipments, but the volume is higher and growing. Over the past 5 years, CBP has seen a nearly 50-percent increase in express consignment shipments, and an astonishing 200-percent increase in international mail shipments.[1]

Rapidly increasing shipment volumes strain already limited CBP resources, particularly at express consignment hubs and International Mail Facilities (IMFs). In addition to sheer volume challenges, e-commerce shipments often involve other risks, such as undervaluation, and are a higher risk for import safety or intellectual property rights (IPR) violations, and illegal drugs. For example, of the more than 34,000 seizures of counterfeit and pirated goods in FY 2017, approximately 90 percent were in the express carrier and international mail environments.[2]

To address the numerous complexities that have emerged from the growth of e-commerce, in 2016, CBP established a dedicated E-Commerce and Small Business Branch. CBP has been actively engaging with Congress, the trade community, and other domestic and international government agencies to find solutions to personnel and other operational challenges posed by the shift to e-commerce. As a result of the Branch's efforts, CBP finalized an e-commerce strategy that focuses on adapting CBP's workforce staffing models and operations to implement a more agile and effective enforcement of e-commerce shipments, creating better compliance through new incentives and measures, and educating and engaging all our stakeholders to facilitate lawful e-commerce opportunities and address threats. The strategy will strengthen CBP's ability to protect U.S. consumers, improve targeting and management of threats in the e-commerce environment, maximize trade revenue collection, increase international mail enforcement, and create stronger partnerships here and abroad.

With the support of Congress, CBP has made significant investments in and improvements to our drug detection and interdiction technology and targeting capabilities in the international mail and ECC environments. CBP receives advance electronic data (AED) on over 40 percent of all international mail shipments with goods. An increasing number of foreign postal operators provide AED to the U.S. Postal Service (USPS), which is then passed on to CBP to target high-risk shipments.

CBP, in close coordination with USPS and U.S. Food and Drug Administration, provided technical assistance on the "Synthetics Trafficking and Overdose Prevention (STOP) Act", which were largely incorporated into H.R. 5788, the "Securing the International Mail Against Opioids Act of 2018," which the House passed on June 14th.

This legislation seeks to address these challenges in a multi-phase process which emphasizes risk-assessment, technology, and collaboration across the Federal gov-

[1] In FY 2013, CBP processed more than 76 million express bills; in FY 2017, CBP processed approximately 110 million bills. In FY 2013, CBP and the USPS processed approximately 150 million international mail shipments; in FY 2017, the number of international mail shipments swelled to over 500 million shipments.

[2] FY 2017 IPR statistics are reported online: *https://www.cbp.gov/sites/default/files/assets/documents/2018-Apr/ipr-seizure-stats-fy2017.pdf.*

ernment and with our international partners. We support efforts to expand the ability of USPS to greatly increase the availability of AED (which is the foundation of a sound targeting mechanism) for international mail, to develop new scanning technology, and to collect fees to help cover the cost of customs processing of certain inbound mail items.

CBP and USPS now have an operational AED targeting program at five of our main International Mail Facilities (IMF) with plans for further expansion. USPS is responsible for locating the shipments and delivering them to CBP for examination. Thus far in FY 2018, CBP has interdicted 186 shipments of fentanyl at the John F. Kennedy International Airport (JFK) IMF, a participant in the AED program. One hundred and twenty-five of those interdictions can be attributed to AED targeting. CBP and USPS continue to work with foreign postal operators to highlight the benefits of transmitting AED.

Preclearance

First established in Toronto, Canada in 1952, preclearance has since expanded to operations in 15 airport locations and one land border ferry operation in six countries, which include Aruba, the Bahamas, Bermuda, Canada, Ireland, and the United Arab Emirates. Staffing consists of more than 600 CBP Officer and Agriculture Specialist positions. Preclearance supports DHS's extended border strategy and CBP's layered border strategy by preventing terrorists, criminals, and other national security threats from boarding commercial aircraft bound for the United States, as well as protecting U.S. agricultural infrastructure from invasion by foreign pests, disease, and global outbreaks. CBP intends to match the speed at which host countries and airports are willing to move forward with negotiations and airport designs, and we look forward to working with our partners to expand this program.

Private-Sector Partnerships

An essential component of CBP's trade facilitation operations is our close and effective collaboration with our private industry partners. For example, CBP works with the trade community through the Customs Trade Partnership Against Terrorism (CTPAT) program, which is a public-private partnership program wherein members of the trade community volunteer to adopt tighter security measures throughout their international supply chains in exchange for enhanced trade facilitation, such as expedited processing. CTPAT membership has rigorous security criteria and requires extensive vetting and on-site visits of domestic and foreign facilities. This program has enabled CBP to leverage private sector resources to enhance supply chain security and integrity while facilitating legitimate trade.

CTPAT membership has grown from just seven companies in 2001 to more than 11,000 certified partners today, accounting for more than 54 percent by value of goods imported into the United States. The CTPAT program continues to expand and evolve as CBP works with foreign partners to establish bilateral mutual recognition of respective CTPAT-like programs. Mutual recognition as a concept is reflected in the World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade, a strategy designed with the support of the United States, which enables customs administrations to work together to improve their capabilities to detect high-risk consignments and expedite the movement of legitimate cargo. These arrangements create a unified and sustainable security posture that can assist in securing and facilitating global cargo trade while promoting end-to-end supply chain security. CBP currently has signed Mutual Recognition Arrangements with New Zealand, the European Union, South Korea, Japan, Jordan, Canada, Taiwan, Israel, Mexico, Singapore, and the Dominican Republic and is continuing to work towards similar recognition with China, Brazil, Peru, Uruguay, Australia, and India.

CTPAT is also transitioning the Importer Self-Assessment program into CTPAT Trade Compliance, thus aligning with the World Customs Organization Authorized Economic Operator model. This effort includes the extensive development of new benefits. New benefits include AQUA lane, an expedited clearance system for CTPAT sea carriers. AQUA lane allows CTPAT terminal port operators that qualify under a set of predetermined mandates to immediately unlade their cargo upon arrival in the United States. CBP is currently piloting advanced unlading at 20 seaports; in FY 2018, the trade community requested advanced unlading nearly 10,000 times. CBP granted permission at a rate of almost 80 percent. Other benefits under development include Importer of Record identity theft monitoring, known as CTPAT Defender. CTPAT Defender will provide a level of protection for our trusted partners.

CBP has also been re-engineering our operations in collaboration with the Port of Los Angeles's Trans Pacific Container Service Corporation (TraPac). The TraPac terminal in the Port of Los Angeles has invested in technology and infrastructure to upgrade the terminal to an automated terminal environment that supports both the targeted NII x-ray/gamma-ray imaging of targeted commerce, and the 100 percent mandated radiation scanning of all incoming commodities at the TraPac terminal. In a joint effort, TraPac, DNDO, and CBP developed a new and innovative method for automated radiation scanning of inbound containers in the terminal's intermodal rail yard. Since December 2016, the terminal's automated conveyor systems transport inbound containers through CBP RPMs before the containers are loaded onto railcars.

Similar to TraPac, through a public-private partnership agreement, CBP and DNDO continue to work with the Northwest Seaport Alliance to employ a straddle carrier portal at the Pierce County Terminal in Tacoma, WA. The straddle carrier portal will provide a fixed portal radiation scanning capability that will require fewer CBP personnel to conduct radiation scanning of cargo containers and will allow the port to regain some of its operational footprint and more quickly process cargo destined for rail transportation.

INFRASTRUCTURE

CBP supports a vast and diverse real property portfolio, consisting of more than 4,300 owned and leased buildings, over 28 million square feet of facility space, and approximately 4,600 acres of land throughout the United States. Effective and efficient POE infrastructure is critical to CBP's mission to secure and facilitate lawful trade and travel.

Land Border Ports of Entry Modernization

Of the Nation's 328 official POEs, 110 are land POEs responsible for operating 167 separate crossings along our borders with Mexico and Canada. Most of the land POE inspection facilities were not designed to meet the post-9/11 security and operational missions of CBP. Rather, they were built to support the distinct operations of legacy DHS components, such as the U.S. Customs Service, the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, and the U.S. Immigration and Naturalization Service.

Today, CBP's operations entail sophisticated targeting and communication systems, state-of-the-art detection technology, and a cadre of professional law enforcement personnel to identify, screen, and inspect high-risk persons and cargo and maintain an efficient stream of cross-border travel and trade. However, the success of our operational strategy depends heavily on the condition and operational utility of the inspection facilities and the availability of CBP personnel. Several land POEs were built more than 70 years ago and require renovation or replacement to meet present-day operational and security standards. Many constructed as recently as 15 to 20 years ago also require significant modernization to address growing demands for additional processing capacity, new security requirements and enforcement technologies, and the need to maximize the efficiency of existing personnel and resources. To construct and sustain these land POE inspection facilities, CBP works in close partnership with the General Services Administration (GSA), which manages the majority of the land POE facilities.

GSA, in coordination with CBP, continues to construct and modernize land POEs along the northern and southern borders, and to complete additional enhancement and expansion projects. Thanks to the funding provided in the FY 2018 Omnibus, CBP is working with GSA to ensure that our priority requirements in locations including Otay Mesa, CA and Alexandria Bay, NY receive much-needed updates.[3] In Texas, the two large-scale modernization projects are Laredo I and II. Laredo Bridge I was completed in April, and pedestrian, bicycle, and POV traffic resumed at this crossing on April 20, 2018. Laredo Bridge II is on track for completion in December 2018. We look forward to working with GSA and Congress to ensure that our physical infrastructure meets CBP's needs now and in the future, such as the planned Phase II construction of the Calexico West land port of entry in California.

A key aspect of CBP's three-pronged Resource Optimization Strategy is the exploration of partnering with public-private sector through such activities as reimbursement and potential acceptance of donations. Thanks to the support of Congress,

[3] Alexandria Bay, NY; Lewiston Bridge, NY; San Luis I, AZ; Otay Mesa, CA; Blaine, WA have been identified as priority requirements to be funded from the proposed $14.8 million.

CBP received authority to enter into agreements under section 560 of division D of the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113–6 (section 560); section 559 of title V division F of the Consolidated Appropriations Act, 2014, Pub. L. No. 113–76 (section 559); and section 550 of the Consolidated Appropriations Act of 2016, Pub. L. No. 114–53, and more recently under sections 481 and 482 of the Homeland Security Act, 2002, as amended by the Cross-Border Trade Enhancement Act, 2016 (codified at 6 U.S.C. §§ 301 et seq.).

Under section 560, CBP received authority allowing the Commissioner to enter into no more than five agreements, under certain conditions, to provide new or enhanced services on a reimbursable basis at U.S. POEs. CBP implemented this authority, entering into agreement with the participating locations [4] before the December 31, 2013 statutory deadline. In January 2014, CBP received additional authority under section 559, which authorized CBP to enter into partnerships with private sector and government entities at POEs to reimburse the costs of certain CBP services and to accept donations of real and personal property (including monetary donations) and non-personal services. Sections 481 and 482 supplanted section 559 while making permanent CBP's donation acceptance and reimbursable services authorities in addition to removing the annual statutory limit on the number of air reimbursable services agreements. This allows for small air POEs with fewer than 100,000 international passenger arrivals annually to compensate CBP for the salaries and expenses of up to five CBP officers and authorizing the Commissioner to determine if advanced payment is warranted to enter into an agreement in place of cost reimbursement.

Each provision responds to CBP's efforts to find innovative approaches to meet the growing demand for new and expanded facilities and, in particular, the ongoing modernization needs of CBP's land POE portfolio.

Reimbursable Services Agreements

Section 481 expands CBP's authority to enter into Reimbursable Services Agreements (RSAs) similar to the FY 2013 "section 560" authority and FY 2014 "section 559" authority. This authority allows CBP to support requests for expanded services, including customs, agricultural processing, border security services, and immigration inspection-related services at U.S. POEs or any facility in which CBP provides or will provide services; salaries for additional staff; and CBP's payment of overtime expenses at airports. There is no limit on the number of agreements CBP can enter into at POEs or facilities. However, at airports with fewer than 100,000 arriving international passengers annually, section 481 only expanded the authority to permit CBP to be reimbursed for the salaries and benefits of no more than five full-time equivalent CBP officers beyond the number of such officers currently assigned. These provisions will allow CBP to increase the impact of this program to additional stakeholders and the traveling public. Additionally, the law stipulates that agreements may not unduly and permanently impact existing services funded by other sources.

CBP evaluates each RSA proposal based on a single set of objective and carefully vetted criteria to ensure that final recommendations will be most beneficial to CBP, to the requesting parties, and to the surrounding communities. The main factors of consideration include the impact on CBP operations; funding reliability; community and industry concerns; health and safety issues; local/regional economic benefits; and feasibility of program use.

RSAs enable stakeholders to identify enhanced services needed to facilitate growing volumes of trade and travel at specific POEs, and enable CBP to receive reimbursement so that we can fulfill those requirements. The section 481 authority provides stakeholders and CBP the flexibility to meet situational or future demand for extended or enhanced services to secure and facilitate the flow of trade and travel at participating ports. At land POEs, this authority enables CBP to open and staff additional lanes or provide services for extended hours to reduce wait times and expedite commercial and personal traffic. At airports, RSAs enable CBP to staff additional booths on an overtime basis during peak hours. At seaports, RSAs enable CBP to provide additional processing of cruise passengers and commercial cargo, furthering the facilitation of travel and trade.

[4] The section 560 participating partners are the Dallas/Fort Worth International Airport Board, the city of El Paso, Miami-Dade County, the city of Houston/Houston Airport System, and the South Texas Assets Consortium.

In the first 5 years of the program, CBP will have entered into agreements with 149 stakeholders, providing more than 483,000 additional processing hours at the request of our partners—accounting for the processing of more than 10.2 million travelers and nearly 1.43 million personal and commercial vehicles. The program continues to expand as new agreements are signed every year, as authorized by the section 481 legislation.[5]

Donation Acceptance Authority

Section 482, the Donation Acceptance Authority, authorizes CBP and GSA to accept donations of real property, personal property, including monetary donations, and non-personal services from public and private sector entities for OFO activities at certain ports of entry. Accepted donations may be used in support of POE construction, alterations, operations, or maintenance-related activities, including but not limited to: land acquisition, design, and the deployment of equipment and technologies. These donations are expected to reduce border wait times, support increased traffic flow and volume, create jobs, and address critical operational and regional border master plan infrastructure and technology priorities across the United States.

Since standing up in FY 2015, the CBP Donation Acceptance Program (DAP), which oversees implementation of section 482, has approved 22 donation proposals, totaling approximately $206 million in planned and realized improvements in U.S. POE and important CBP initiatives. Of the 22 donation proposals approved to date, 13 entail small to large-scale improvements to the land POE infrastructure, primarily along the U.S. southern border. These infrastructure improvements, some of which entail state of the art inspection technologies and joint binational processing enhancements, have and will continue to lend themselves to a more secure, reliable, and efficient cross-border transportation network.

The DAP continues to grow and mature, as has its ability to explore, foster, and facilitate partnerships in support of non-infrastructure initiatives, including luggage for canine training purposes and the provision of passenger biometrics services and data at major air POEs.

In sum, CBP is implementing business improvements, thoroughly and systematically analyzing POE infrastructure needs and exploring alternative sources of funding to bridge current and anticipated mission resource gaps. Both the Reimbursable Services Authority and the Donation Acceptance Authority enable CBP to build effective partnerships with stakeholders to address the port requirements necessary to support growing volumes of travel and trade.

CONCLUSION

International commerce is dynamic and requires continual adaptation to respond to emerging threats and rapidly changing conditions. I am proud of CBP's dedicated workforce, which continues to meet these challenges with integrity and commitment. With the ongoing support of Congress, CBP will continue to protect the people and economy of the United States while facilitating legitimate trade and travel. Chairman Cornyn, Ranking Member Casey, and distinguished members of the subcommittee, thank you for the opportunity to appear today.

QUESTIONS SUBMITTED FOR THE RECORD TO HON. KEVIN K. MCALEENAN

QUESTIONS SUBMITTED BY HON. JOHN CORNYN

DONATIONS ACCEPTANCE AND REIMBURSABLE SERVICES PROGRAM

Question. While the Donations Acceptance Program and the Reimbursable Services Program are valuable tools for CBP/DHS to address staffing and infrastructure needs, I am concerned, based on feedback from my constituents, that the programs could be overused as a way for CBP to avoid contributing its share to needed projects, especially ones it can afford and where there is a Federal appropriation.

Do you share this concern, and if so, how can we ensure we are striking a strong balance?

Answer. The Donations Acceptance Program (DAP), while a viable and effective alternative to Federal appropriations, has not replaced or negated the agency's proc-

[5] A full list of current participants is available at *http://www.cbp.gov/RSP*.

ess for prioritizing and budgeting for critical infrastructure needs. Rather, the DAP is a mechanism through which to invest in and expedite port of entry improvements that may otherwise remain unfunded or underfunded. The DAP has not yet approved a proposed partnership project that was to be imminently funded using Federal appropriations or for which Federal funding was on the horizon.

The Reimbursable Services Program (RSP) provides an alternative source of funding for services beyond CBP's appropriated budget and allows our partners to target where they desire CBP to provide additional services. Entering into an agreement under the RSP is at the discretion of the interested party. Requests for services under the RSP are voluntary, and there is no minimum number of requests required to maintain a stakeholder agreement. Under section 481 of the Homeland Security Act, 2002, CBP is statutorily prohibited from shifting the cost of services funded in any appropriations Act to RSP stakeholders and from entering into a fee agreement if such agreement would unduly and permanently impact services funded in any appropriations act.

FACILITATING TRADE AND COMMERCE

Question. At the end of 2016, my bill, the Cross-Border Trade Enhancement Act, was signed into law. This legislation was the product of multiple years of work to expand a very successful pilot program that allows for public-private partnerships at land, air and sea ports of entry. I have been very pleased to see the widespread interest on both sides in expanding its application.

What more can Congress and other Federal agencies, such as the Department of Transportation and the General Services Administration, do to assist CBP in the Donations Acceptance Program and Reimbursable Services Programs specifically and to facilitate trade and commerce at U.S. ports more generally?

Answer. CBP appreciates the expansion of its pilot program DAP authorities, which have and continue to be used successfully to partner on infrastructure improvements, the provision of canine enforcement training aids, product authentication tools in support of CBP's intellectual property rights enforcement efforts, and more.

The Reimbursable Services Program (RSP) is currently subject to overlapping congressional reporting requirements. Responding to these reporting requirements draws CBP resources that could be allocated to interfacing with interested parties and expanding and enhancing the program. The RSP is subject to submitting or contributing to three similar annual reports to Congress.

Section 907 of the Trade Facilitation and Trade Enforcement Act, 2015 requires CBP to report to Congress within 1 year after entering into fee agreements for the provision of certain CBP services, and annually thereafter. This report requires specifics on the development of the program, the entities with which CBP has entered into agreements, the amounts reimbursed, the economic and security benefits of the program, the services provided by CBP, the amount of fees collected under the agreement, the program's operating expenses, a detailed accounting of fee usage and spending, a summary of complaints and criticisms of the program, the compliance of the stakeholders, recommendations for more effective use of the program, a summary of the benefits and challenges faced by CBP and the stakeholder, and, in the case of airports, a detailed account of revenue collected by CBP compared to CBP operating costs at airports.

Section 481 (k)(1) of the Homeland Security Act 2002, requires CBP to submit an annual report identifying program activities undertaken and agreements entered into pursuant to the reimbursable services authority provided to CBP in section 481.

Section 482 (d) of the Homeland Security Act, 2002, requires the Comptroller General of the United States to submit an annual report to Congress on the fee agreements entered into pursuant to section 481. CBP works closely with the U.S. Government Accountability Office in the development of this report.

CBP understands the importance of these reports. However, we would ask that consideration be given to streamlining overlapping and redundant requests for information, so that CBP can maximize program resources.

Congressional support for the RSP has been key to program growth. Continued program backing by Congress will allow CBP to ensure access to program benefits is available to interested parties at ports of entry and facilities alike moving forward.

FACILITATING TRADE AND COMMERCE THROUGH DAP

Question. I would like to commend CBP for their willingness to partner with private-sector entities and State and local jurisdictions to address infrastructure and staffing needs. I understand that in Texas, the Anzalduas Bridge Board has submitted a proposal to partner on its expansion plan for the Anzalduas Bridge so that it has the necessary facilities to screen commercial traffic. This plan will help ensure that the Anzalduas Bridge remains a direct, safe, and efficient route between the Rio Grande Valley and Mexican cities such as Monterrey and Mexico City. As you know, this partnership is made possible through the Donations Acceptance Program.

In your experience, how important is this program to facilitating trade and commerce at U.S. ports of entry?

Answer. CBP has identified a capital-funding shortfall in order to fully modernize the Federal land port of entry portfolio. The Donations Acceptance Program remains a viable and effective tool through which to invest in and expedite port of entry improvements that would otherwise remain unfunded, potentially for years. CBP and GSA are in receipt of the Anzalduas Bridge Board's latest proposal and has been working with the Bridge Board to support and advance expansion of commercial screening at the McAllen Anzalduas land port of entry as expansion of commercial activities increases.

DECISION-MAKING PROCESS

Question. Projects that have been approved by CBP to participate in the Donations Acceptance Program (DAP) currently must seek approval from GSA, in addition to CBP. While this is understandable, it also serves as a delay to the process and in some cases has become a critical hindrance in lining up private-sector partners.

Is there a way to centralize the decision-making process of projects under the Donations Acceptance Program for the agencies involved, giving full decision-making authority to CBP directly? Would legislation in this area be helpful to streamline the process?

Answer. To date, CBP, with the help of GSA, has made considerable strides towards streamlining and making more agile its processes and timeframes for receiving, evaluating, and determining proposal viability. GSA's continued role in DAP-related decisions is an important one given that most, if not all, infrastructure-related proposals submitted for consideration impact facilities and/or real estate that are under the custody and control of GSA and occupied by CBP.

MISSING DRUGS

Question. Since the beginning of FY 2018, OFO has seized 41,445 pounds of cocaine, 3,782 pounds of heroin, 228,782 pounds of marijuana, and 52,613 pounds of meth. Most concerning, OFO also seized over 1,165 pounds of the synthetic opioid fentanyl. We all know that only a few milligrams of fentanyl is deadly, so the fact that the cartels and transnational criminal organizations are trying to smuggle in such large quantities should be alarming to all.

Am I correct in saying that we are probably missing far massive quantities of drugs coming into the United States because you don't have the number of officers necessary to conduct all inspections necessary to detect the drugs?

Answer. CBP uses its Workload Staffing Model (WSM) to analyze and provide recommendations for changes to CBP officer (CBPO) staffing requirements. The WSM is a decision support tool that calculates recommended staffing levels for each port of entry based on current and projected enforcement and facilitation workload, including recognizing emerging threats. CBP assesses threats through a risk-based strategy and multilayered security approach, and aligns resources to meet its mission and ensure that threats are mitigated. As CBP continues to fill current funded staffing vacancies, it will be able to dedicate additional officers to drug enforcement activities. CBP also continues to aggressively pursue new Business Transformation Initiatives to reduce administrative burden and allow CBP officers to focus on enforcement activities. By automating forms collection, streamlining current processes and deployment of new technology, CBP expects to save an additional 500,000 inspection hours through FY 2019, which equates to 400 full time CBP officer equivalents.

CBP's Office of Field Operations, which has primary responsibility at the ports of entry, has never wavered in the priorities of its mission: (1) counterterrorism; (2) counter-narcotics, including fentanyl and opioids; (3) safeguarding our Nation's economic future; (4) facilitating lawful trade and travel, and (5) migrant processing. CBP's Office of Field Operations remains focused on our national security while protecting our country, our communities and neighbors. CBP works continuously to improve processes and transform the way it does business. In addition, CBP works to balance competing priorities maintaining frontline and trade and revenue personnel versus sustaining programs and investments that act as force multipliers. CBP is also self-critical and develops business transformation initiatives that streamline processes and identify efficiencies that save man-hours and return CBP Officers to front-line duties. This allows CBP to fulfill its mandatory and non-discretionary missions in the most effective and efficient manner possible. CBP remains committed to working with Congress to manage resources as efficiently as possible to best enable mission success at and between the ports of entry.

DEMAND REDUCTION

Question. Over half of the 64,000 overdose deaths caused by opioids in 2016 were the result of heroin and illicitly manufactured synthetic opioids, not prescription drugs. These drugs are coming into the United States through the southern border and transnational criminal organizations will stop at nothing to exploit those struggling with substance use disorders.

Can you outline what demand reduction strategies CBP is engaged in with regards to heroin and synthetic opioids?

Answer. As America's front-line border security agency, CBP is uniquely responsible—and uniquely positioned—for disrupting the influx of narcotics. CBP leverages targeting and intelligence-driven strategies, and works in close coordination with our partners as part of our multi-layered, risk-based approach to enhancing the security of our borders and our country. We are fully committed to disrupting the illicit opioid supply chain and utilizing a broad strategy to combat opioids with four primary goals: (1) enhance collaboration and information sharing; (2) produce actionable intelligence; (3) target the opioid supply chain; and (4) protect CBP personnel from exposure to opioids.

Question. What additional resources would strengthen CBP's ability to halt the flow of these drugs?

Answer. With continued support from Congress, CBP, in coordination with our partners, will continue to refine and further enhance the effectiveness of our detection and interdiction capabilities to combat transnational threats and the entry of illegal drugs into the United States. Your continued support of CBP's current efforts to identify new and innovative technology to aid in the layered enforcement strategy efforts, including safety measures for frontline personnel and procurement of additional chemical screening, detection, and identification instruments, will be instrumental in the fight against this threat.

In addition, to enhance our ability to interdict this threat across the southern land border, CBP is establishing the Model Port concept as a guiding framework to streamline the cargo and passenger vehicle inspection process to increase the volume of vehicles examined. CBP is actively working with DHS S&T and technology vendors to assess capabilities of drive-through Non-Intrusive Inspection (NII) systems in these environments. The goal of these technology assessments/pilots is to determine the feasibility of reducing scanning time to increase throughput.

OIG REPORT

Question. A recent 2017 DHS Inspector General report found that CBP's IT systems and infrastructure were not supporting its objective of preventing unauthorized persons from entering the country. The report stated: "The slow performance of critical pre-screening systems greatly reduced OFO's ability to identify passengers who may represent concerns and/or national security threats."

What steps are being taken by CBP to alleviate and address the concerns outlined by the OIG?

Answer. CBP has resolved the specific issue raised by the OIG through multiple technological updates, including application, infrastructure, network and monitoring changes. CBP has developed a technical refresh strategy for end-user devices, network equipment and infrastructure that has informed budget requests, as well as assisted with prioritizing current year requirements.

There were seven recommendations resulting from the OIG report focusing on system performance issues affecting several CBP pre-screening functions. CBP used the recommendations to develop action plans addressing each of the findings, and we are well on our way to accomplishing all corresponding actions resulting from this report. These actions include:

- Conducting a survey of TECS users, the results of which are being analyzed to inform future enhancements.
- Executing a technology refresh strategy for end-user devices, network equipment, and infrastructure that has informed budget requests as well as assisted with prioritizing current year requirements.
- Increasing system and network resiliency through improved disaster recovery capabilities, system outage mitigation modes, and network redundancy for critical sites and services.
- Improving system monitoring efforts through new tools and procedures in order to more quickly resolve outages.

PRIORITIZING EXPENDITURES

Question. Texas ports of entry are some of the busiest in the United States. Three of the five busiest land ports of entry are in Texas, and amazingly, one-half of all U.S.-Mexico trade moves through Texas ports of entry. In addition, Texas is home to four of the top ten busiest pedestrian ports of entry, as well. These numbers are showing no sign of slowing down.

How does CBP and DHS determine the priority rank of needs on the northern versus southern border?

Answer. CBP is responsible for managing the flow of lawful trade and travel through its 328 air, land, and maritime ports of entry. CBP also manages more than 6,000 miles of land border, more than 12,000 miles of coastline border, and works to prevent the illegal movement of people and contraband crossing U.S. airspace. When examining port of entry requirements across the northern and southern borders, CBP must always consider the complex set of threats, risks, and challenges that are unique to each regional area. Prioritization of requirements across the southern and northern border regions is determined by certain criteria such as staffing numbers, operational needs/risks, traffic volumes, and facility conditions and functionality. This regional prioritization is built on data that reflects the threats, risks and operational needs dictated by the ever-changing environment along the U.S. borders. CBP budgets are designed to account for addressing priority areas at and between the ports of entry without regard to whether they are northern or southern borders, or whether it is an air, land, or sea environment.

CBP uses its Workload Staffing Model (WSM) to analyze and provide recommendations for changes to CBP officer (CBPO) staffing requirements. The WSM is a decision support tool that calculates recommended staffing levels for each port of entry based on current and projected enforcement and facilitation workload, including recognizing emerging threats. CBP assesses threats through a risk-based strategy and multilayered security approach, and aligns resources to meet its mission and ensure that threats are mitigated.

With regard to CBP facilities, CBP and the GSA utilize a comprehensive nationwide scoring methodology to prioritize operational needs across the entire Land Port of Entry (LPOE) portfolio. This multi-step process starts with gathering data using the Strategic Resource Assessment methodology, in which CBP uses 60 distinct criteria in four categories that CBP weighs to calculate each facility's criticality of need for modernization:

- Mission and Operations;
- Security and Life Safety;
- Space and Site Deficiencies; and
- Personnel and Workload Growth.

CBP then applies two additional analyses to the initial needs assessment to develop a prioritized investment plan for LPOE modernization projects:

- CBP applies a sensitivity analysis of the initial ranking that considers factors such as binational border agreements, Federal, State, and local interests, and unique regional conditions.
- CBP evaluates the feasibility and risk associated with project implementation, including environmental, cultural, and historic preservation requirements.

Finally, CBP arrives at a final prioritization of proposed projects. This prioritization does not distinguish between northern and southern border LPOEs, but represents the prioritized investment need across the entire LPOE portfolio.

Question. More specifically, how does CBP determine the needs and prioritize expenditures for upgrades at each Port of Entry?

Answer. CBP and the GSA use the same comprehensive nation-wide scoring methodology outlined in the response to the prior question to prioritize the operational needs across the Land Port of Entry (LPOE) portfolio.

Capital improvements to the LPOE inventory are made in priority order, guided by a defined CBP LPOE prioritization methodology, and to the extent available under Federal appropriations. The design and construction of these projects are funded predominantly through GSA's Federal Buildings Fund while CBP is responsible for paying for the one-time turnkey furniture, fixtures, and equipment, and recurring rent and staffing costs at these facilities.

CBP prioritizes expenditures for upgrades at the ports of entry (POEs) based on several factors:

- Department and agency priorities—with current focus on southwest border;
- Volume of traffic processed at a given POE—high-volume POEs over low-volume POEs (return on investment for facilitation and security);
- Operational reliability of the deployed technology—unreliable/failing technology refreshed first;
- Age of the deployed technology—oldest first; and
- Affordability.

In 2008, under the Western Hemisphere Travel Initiative (WHTI) program, CBP began the deployment of Radio Frequency Identification (RFID) and License Plate Reader (LPR) technology as well as improved vehicle processing software at the land border ports of entry.

In 2010, the WHTI program became the Land Border Integration (LBI) program and began implementing the Triangle Strategy, which entailed the deployment of LPR technology for Pedestrian, Outbound, and USBP Checkpoint processing and the sharing of information between these areas and Inbound processing.

CBP continues to improve land border integration by procuring and implementing the latest, most effective facilitative technology available to monitor and intercept vehicles crossing its borders. LPR technology is an integral part of CBP's border security plans. The FY 2018 funding bill included $23 million for facility and infrastructure upgrades at the land border POEs. The LBI program received a portion of this funding to begin a technology refresh and will prioritize those upgrades using the above-referenced factors.

CBP recognizes the critical role Texas plays supporting legitimate trade and travel. Eleven (11) of the first 39 POEs, encompassing 22 border crossing locations, that received facilitative technology under the initial WHTI deployment are in Texas and will be prioritized for refresh based on the criteria outlined above.

Other technology upgrades funded by the $23 million enacted by Congress in the FY 2018 budget included upgrades and updates to primary booths, installation of circuits, Wi-Fi, and updated phone systems at ports of entry, as well as procuring additional radios for frontline personnel.

The Non-Intrusive Inspection (NII) Systems Program is actively sustaining operations through a comprehensive logistics and maintenance support strategy and replacing technology as systems reach their service life. With CBP's current standalone large-scale NII technology, CBP is capable of examining approximately 10–20 vehicles per hour in secondary inspection operations; these scans are largely conducted on high-risk conveyances. On the southwest land border, that translates to scanning approximately one percent of privately owned vehicles and approximately 17 percent of commercial trucks. These scans result in over 95 percent of all NII seizures and over 98 percent of the total weight of narcotics seized (with NII) nationwide.

CBP is actively assessing commercially available NII technology that offers automation capabilities to streamline the NII examination process. Automating and streamlining the process will allow CBP to increase throughput and/or redirect personnel to other high-priority missions at POE's, where feasible. Overall, this approach will increase security and facilitation of trade and travel across the Nation's borders.

An instrumental effort to achieve this approach is to determine the feasibility of utilizing drive-through NII systems in pre-primary or primary lanes. Currently CBP is conducting an operational assessment with new, commercially available, Multi-Energy Portal (MEP) x-ray systems in our Laredo Field Office. The assessment objective is to determine the technological and operational feasibility of utilizing NII in pre-primary or primary operations, thereby allowing CBP to examine a greater portion of commercial trucks in pre-primary or primary lanes. The multi-energy capability of the MEP allows the driver to remain in the vehicle, as the cab is scanned at a lower dosage, and the trailer is scanned at a higher dosage. To further automate and streamline the process, the assessment will look at integrating the new NII technology and imaging data with other automated processing technology utilized at our land borders, such as license plate readers, Radio Frequency Identification Device (RFID), Automated Commercial Environment, eManifest and Optical Character Recognition on box trailers to support command center operational concepts. The assessment is being conducted at three ports of entry, including the World Trade Bridge in Laredo, TX, Veterans Bridge in Brownsville, TX, and the Savannah, GA seaport of entry. The results of the operational assessments conducted at these locations will be utilized to refine operational requirements for future expansion to other port of entry locations as resources permit.

To prioritize NII needs between Northern and Southern land border locations, CBP looks at a variety of factors, including operational utility of existing technology, field needs, emerging trends, infrastructure requirements and plans, and resources.

RECRUITING AND RETENTION

Question. One impediment to hiring and retention within OFO has been the fact that CBP must compete for the same pool of talent as other law enforcement agencies (LEA). Often times, we are told that CBP loses out on these candidates because such LEAs can offer higher salaries and recruitment bonuses, in addition to less dangerous locales that are not as remote.

What steps is CBP taking to address pay parity and retention?

Answer. CBP continues to review the compensation of law enforcement, including the classification/career ladders of the position; utilizes recruitment, relocation and retention incentives to address critical hiring and retention issues; and has participated in the Department of Homeland Security Office of Chief Human Capital Officer Pay Parity Workgroup.

Question. What can Congress do legislative to help CBP recruit and retain new talent?

Answer. CBP has provided technical assistance to the drafting of several pieces of legislation that have suggested numerous initiatives that would support existing recruitment and retention programs. These initiatives include:

- Authorization to issue recruitment/retention incentives in hard-to-fill/remote locations. Many of CBP's duty station are in remote communities that lack many of the conveniences associated with urban locations. Such incentives would assist with the placement and retention of agents and officers in these locations.
- Authorization to waive CBP's mandatory polygraph examination to expedite the hiring of candidates who meet stringent criteria, including current Federal law enforcement officers who have passed a polygraph administered by another Federal agency, and separating service members/recent veterans with certain military clearances.

CBP appreciates Congress's support of amendments to the Anti-Border Corruption Act of 2010. The House has supported CBP's efforts to develop a risk-based approach to extend polygraph waiver eligibility to certain categories of applicants, and we will continue to work with the Senate to do the same. The flexibility to waive the polygraph for individuals in these limited populations, such as current Federal law enforcement officers or transitioning military service members, would potentially expedite their onboarding and allow CBP to direct more resources toward the processing of other groups of applicants, preventing potential bottlenecks in the hiring pipeline.

POLYGRAPH TESTING

Question. Another impediment to CBP hiring is the rigorous polygraph testing. My understanding is that CBP has recently streamlined the polygraph testing to address the failure rate.

Have you seen an increase in the number of new hires who are now able to clear the polygraph exam?

Answer. To better streamline the polygraph testing process, CBP implemented numerous program efficiencies including a more efficient polygraph testing format (the NCCA-approved Test for Espionage, Sabotage, and Corruption), a staffing model based on applicant flows and the removal of unsuitable applicants earlier in the hiring process. These efficiencies resulted in a 54 percent increase of applicants processed through polygraph in FY 2018 (14,263 applicants compared to 9261 applicants in FY 2017). They also resulted in an 89 percent increase in applicants who successfully completed the polygraph during the year (4,457 passes compared to 2,360 passes in FY 2017).

K–9 UNITS

Question. CBP uses K–9 units on the primary inspection lanes at several ports of entry. These units have proven to be very effective at identifying drugs and other illegal contraband and have helped reduce the time required for manual inspections.

How many additional units would CBP need to cover the ports of entry on the southern border?

Answer. We appreciate congressional support of CBP's canine program. The FY 2019 President's budget request sustains current canine staffing levels across the CBP frontline.

NEW PRECLEARANCE FACILITIES

Question. Expansion of CBP's preclearance program has been a priority of CBP in recent years and of yours, both as Deputy Commissioner and now as Commissioner. In 2015 CBP identified 10 airports as top candidates for preclearance and, in 2016, Congress granted CBP additional reimbursement authority to more efficiently reach preclearance agreements with foreign countries.

Can you please update the committee on your efforts to establish new preclearance facilities? Specifically, which foreign countries are you currently in negotiations with, which have signed, or may soon sign, a preclearance agreement, and does the list of 10 airports from 2015 still represent the most viable candidates for a CBP preclearance site?

Answer. CBP conducted two rounds of open period solicitations for preclearance expansion, which resulted in identifying 21 potential preclearance locations as of 2017. The most recent countries to sign an agreement with CBP were Sweden and the Dominican Republic, which signed in November and December 2016, respectively.

CBP is actively negotiating with several countries prioritized during the open periods of expansion. Negotiations on a bilateral agreement are at an advanced stage with a number of the priority locations.

LAREDO PROJECT

Question. I understand that the city of Laredo is currently in discussions with both CBP and the General Services Administration to develop a regional conference center near the Rio Grande riverfront on property which is owned by the Federal Government. I also understand that the proposed project improvements adjacent to the port of entries, in exchange for the land, are in progress.

Will you please keep my staff updated on any developments related to this project and commit to giving the city full and fair consideration in these proceedings?

Answer. The city of Laredo is interested in acquiring land at the Laredo Land Port of Entry (LPOE) for a convention center. GSA, who owns the land, expressed willingness to work with the city to exchange a portion of this footprint in return for improvements needed at the port. CBP has worked to identify requirements for these improvements, which served as the basis for a preliminary cost estimate. A meeting with the city took place in August 2018 to discuss the conditions of the land transfer, requirements for the facility, and initial costs. The city's budget for the project is much less than the government's estimated costs. GSA and CBP are currently engaged with the city to identify alternative design and exchange scenarios.

In a parallel yet connected project, the city is offering land/improvements to collocate other CBP/DHS components, and possibly some port functions, such as general use CBP training facilities, on a centralized campus close to the airport. CBP is

working with the city of Laredo to draft a Memorandum of Understanding (MOU) that will allow the city to collect requirements from CBP so that it can develop a high-level proposal to address some or all of CBP's needs.

GSA will continue to work closely with CBP and the city of Laredo to determine next steps regarding the city's proposals.

QUESTIONS SUBMITTED BY HON. JOHN THUNE

LOW-VALUE SHIPMENTS

Question. In 2015, I worked with Senator Wyden to increase the *de minimis* threshold for low-value imports to the current $800 level. I understand that CBP is using a portion of its increased FY 2018 appropriations to enhance the inspections of these types of low-value shipments through risked-based analytics.

Can you describe these efforts in more detail and how they will help facilitate the process for our importers and exporters of low-value products?

Answer. Current Automated Commercial Environment (ACE) manifest procedures will be expanded to all modes of transportation to allow carriers to request section 321 clearance for low-value shipments as an optional business decision. ACE Electronic Data Interchange manifest-level processing will not be available for goods requiring complex admissibility processes (*e.g.,* goods subject to Partner Government Agency (PGA) requirements addressing health and safety concerns). Rather, CBP will provide an additional pathway for clearance via the development of an Automated Broker Interface (ABI) submission, known as a "Type 86" entry. This filing option will be available to all ABI filers, and will be required for goods subject to complex admissibility processes. These new automated solutions will allow us to manage risk in this space while maintaining the velocity of e-commerce. In addition, CBP is exploring several advanced data analytics projects using new data techniques/algorithms to identify and segment specific areas of trade risks, including e-commerce and low value shipments. These project trials are very promising and CBP's Office of Trade is making enhancements in this area for FY 2019 to integrate these concepts and processes into our ACE systems.

E-COMMERCE

Question. In your written testimony you discuss the dramatic increase in the volume of shipments coming into the United States as a result of e-commerce. The growth of this sector of the economy and its intersection with international trade obviously create new challenges for CBP to carry out its national-security and trade-enforcement responsibilities.

In addition to the steps that CBP has already taken to address the growth in e-commerce, like the E-Commerce and Small Business Branch, are there additional actions that CBP is considering that you believe would require new statutory authority or changes to existing law, which this committee should consider?

Answer. On March 6, 2018, CBP issued its E-Commerce Strategy that focuses on creating a more agile CBP that can adapt to challenges in the e-commerce environment. As we continue to advance implementation of the E-Commerce Strategy, we are considering what regulatory, statutory, and policy amendments would further enhance CBP's ability to carry out its national security and trade enforcement responsibilities. CBP will continue to work with interagency partners and the Commercial Customs Operations Advisory Committee (COAC) E-Commerce Working Group throughout implementation of the strategy, and will keep this committee apprised of our developments and findings.

JOINT-PROCESSING INITIATIVE

Question. You note in your testimony recent efforts by the CBP and the Mexican government to further the existing uniform cargo processing by both agencies along the U.S.-Mexican border. Witnesses on our second panel have also noted the benefits of this joint-processing initiative in their testimony.

Can you expand on CBP's plans for expanding the initiative along our southern border and whether CBP is giving any consideration to initiating a similar effort with Canada for trade along our northern border?

Answer. Unified Cargo Processing (UCP) is an innovative concept in which CBP and the Servicio de Administración Tributaria (SAT) perform joint cargo clearance

and examinations, in the United States, at nine major commercial ports of entry. By conducting joint cargo processing, CBP and SAT have reduced duplicate cargo inspections and wait times at the border. This in turn has significantly lowered the cost of doing business in the region as well as enhanced the national security for both countries.

CBP used this model and signed a UCP agreement with Canadian Border Services Agency (CBSA) in November 2017. The CBSA then began a 6-month pilot utilizing CBP's x-ray technology to inspect trains destined to Canada. The pilot has been extended an additional six months, at which time CBSA and CBP will evaluate the pilot.

CBP, SAT, and CBSA are working on tri-lateral criteria for future expansion of UCP in the air cargo environment. Once the tri-lateral criteria is complete, CBP will post a notice in *CBP.gov* for interested parties to respond via a letter of interest.

QUESTIONS SUBMITTED BY HON. CLAIRE MCCASKILL

NON-PARENTAL FAMILY MEMBERS

Question. Please provide the number of children that were accompanied by a family member other than a parent that arrived at a port of entry or were apprehended by the Border Patrol each month between fiscal year (FY) 2016 and FY 2018 (*i.e.,* grandparent, aunt, uncle, cousin).

Were any of these children separated from that family member and processed as unaccompanied?

If so, under what circumstances?

Answer. Consistent with the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008 (TVPRA) and the Homeland Security Act of 2002 (at 6 U.S.C. 279(g)), an alien child who has no lawful immigration status in the United States and for whom there is no parent or legal guardian in the United States, or for whom there is no parent or legal guardian in the United States who is available to provide care and physical custody, is processed as an unaccompanied alien child, regardless whether the child is accompanied by a family member who is not a parent or legal guardian. CBP does not maintain statistics on the number of alien children who are accompanied by a family member other than a parent or legal guardian.

All alien minors that meet the definition of unaccompanied alien children are processed consistently with the requirements of the TVPRA, and in most cases are transferred to the custody of the Department of Health and Human Services.

ADULT SIBLINGS

Question. Please provide the number of children that were accompanied by an adult sibling that arrived at a port of entry or were apprehended by the Border Patrol each month between FY 2016 and FY 2018.

Answer. An alien child who meets the definition of an Unaccompanied Alien Child is processed pursuant to the TVPRA, regardless whether the child is accompanied by a family member who is not a parent or legal guardian. CBP does not maintain statistics on the number of alien children who are accompanied by a family member other than a parent or legal guardian.

Question. What is the policy of Customs and Border Protection (CBP) for processing a child who arrives with an adult sibling?

Answer. The Homeland Security Act of 2002 defines an unaccompanied alien child (UAC) as a child who has no lawful immigration status in the United States, has not attained the age of 18, with respect to whom there is no parent or legal guardian in the United States, or for whom no parent or legal guardian in the United States is available to provide care and physical custody. As such, children who arrive with non-custodial adult sibling(s) are UACs, not family unit aliens. In most cases, UACs must be transferred to the custody of the Department of Health and Human Services (HHS) as outlined in the TVPRA.

Question. Are they separated and processed separately or are they processed as a family unit?

Answer. As outlined in the TVPRA, all UAC from non-contiguous countries are placed in removal proceedings pursuant to section 240 of the Immigration and Nationality Act and transferred to the custody of HHS within 72 hours of being determined to be a UAC.

Question. Under the Zero Tolerance policy, are the adult siblings that arrive with a child sibling referred for prosecution?

Answer. The Zero Tolerance policy, which took effect April 6, 2018, applies to all offenses referred for prosecution under 8 U.S.C. section 1325(a), "Improper entry by alien," and supersedes any existing policies. So accompanying adult siblings, who entered the United States illegally, are referred for prosecution.

GUIDANCE PROVIDED

Question. Please provide any guidance provided by the Department of Homeland Security to CBP on the implementation of the zero-tolerance policy or family separations.

Answer. On May 4, 2018, the Secretary of Homeland Security, Kirstjen Nielsen, directed CBP officers and agents to ensure that all adults deemed prosecutable for improper entry in violation of 8 U.S.C. § 1325(a) are referred to the Department of Justice for criminal prosecution.

Question. Please provide any operational guidance that was provided by each Border Patrol sector to subordinates and front-line personnel on the separation of children from their families.

Answer. USBP did not issue any operational guidance to the field that fits the description above.

ASYLUM SEEKERS PROCESSED

Question. How many asylum seekers does CBP process each day at ports of entry?

Answer. For the southwest border, CBP referred for processing on average 90 asylum seekers per day at the ports of entry (POEs) from May 1, 2018, through August 13, 2018.

Question. How long does this process take?

Answer. CBP policy is to process applicants for admission in an expeditious manner. POEs have to balance an array of critical mission priorities; including counter-terrorism, counter-narcotics, safeguarding the Nation's economic future, facilitation of lawful trade and travel, and processing travelers to determine whether they are permitted to enter the United States. With that in mind, the number of potentially inadmissible individuals CBP is able to process varies based upon case complexity, available resources, medical needs, interpretation requirements, holding/detention space, overall port volume, and ongoing enforcement actions.

ACCESS TO A CREDIBLE FEAR INTERVIEW

Question. Do CBP Officers have the authority to deny an individual access to a credible fear interview?

If so, what are the circumstances under which that authority is used and what training do CBP Officers receive on their authority to deny individuals access to a credible fear interview?

Answer. No. Any alien who arrives in the United States and is subject to expedited removal who asserts fear of persecution or torture, or indicates an intention to apply for asylum is referred to USCIS for a credible fear determination. Aliens who arrive in the United States, but are not subject to expedited removal, may seek other forms of protection or relief, depending on the manner of their arrival, with either U.S. Citizenship and Immigration Services (USCIS) or an immigration judge.

DAILY REPORTS

Question. In response to questions at the hearing, you described a daily report that you receive that details the number of migrants waiting to be admitted at ports of entry. Please provide copies of this report for each day between Jan 1, 2017 and August 1, 2018.

Answer. The documents requested are subject to "deliberative process privilege," and respectfully, are not appropriate for release to Congress.

ASYLUM CLAIMS ON THE SOUTHERN BORDER

Question. Please provide a breakdown of the number of asylum claims made at each port of entry along the southern border in FY2016—FY2018.

Answer

SW Land Border Total Inadmissible Aliens and Credible Fear Claims (Through August 2, 2018)	FY 2016	FY 2017	FYTD 2018
Total Inadmissible Aliens	153,931	111,248	105,661
Percent of Credible Fear Claims of the Total Inadmissible Aliens	**21.99%**	**24.13%**	**35.77%**

Port of Entry	Asylum Claims			
	FY 2016	FY 2017	FY 2018	SUM
Andrade, CA (2502)	4	60	18	**82**
Brownsville, TX (2301)	1,494	1,273	l,192	**3,959**
Calexico, CA (2503)	604	1,236	1,487	**3,327**
Calexico-East (2507)	5	148	243	**396**
Columbus, NM (2406)	26	12	25	**63**
Del Rio, TX (2302)	44	132	87	**263**
Douglas, AZ (2601)	343	180	l42	**665**
Eagle Pass, TX (2303)	503	655	1,148	**2,306**
El Paso, TX (2402)	9,268	7,118	8,328	**24,714**
Hidalgo, TX (2305)	5,016	3,084	4,027	**12,127**
Laredo, TX (2304)	1,802	2,345	4,611	**8,038**
Lukeville, AZ (2602)	1	20	12	**33**
Naco, AZ (2603)	2	5	3	**10**
Nogales, AZ (2604)	836	2,156	2,688	**5,680**
Otay Mesa (2506)	1,658	133	642	**2,433**
Presidio, TX (2403)	230	185	149	**564**
Progreso, TX (2309)	72	123	89	**284**
Rio Grande City, TX (2307)	45	17	166	**228**
Roma, TX (2310)	298	680	1,351	**2,329**
San Luis, AZ (2608)	911	2,089	1,774	**4,774**
Santa Teresa (2408)	255	408	542	**1,205**
San Ysidro (2504)	10,527	4,421	9,564	**24,512**
Sasabe, AZ (2606)			1	**1**
Tecate, CA (2505)	3	2	16	**21**

Port of Entry	Asylum Claims			
	FY 2016	FY 2017	FY 2018	SUM
Tornillo, TX (2404)	628	359	58	**1,045**
Sum:	**33,855**	**26,841**	**38,363**	**99,059**

INCREASING PROCESSING CAPACITY

Question. Given the increasing asylum claims at San Ysidro, what steps if any have you taken to add additional processing capacity in the San Diego area.

Answer. CBP is committed to our complex and multifaceted mission set, which includes the safe, secure, and orderly processing of all travelers as expeditiously as possible without compromising safety or national security. The number of inadmissible individuals CBP is able to process varies depending on case complexity, available resources, medical needs, interpretation requirements, holding/detention space, overall port volume, and ongoing enforcement actions. San Ysidro management conducts daily assessments of their operational capacities to ensure all of CBP's core mission sets are achieved. Currently, all available resources are being deployed to process asylum cases without detrimentally impacting critical operational elements.

TRADE ACT PENALTY PROVISION

Question. Phase three of the TRADE Act implementation was supposed to include penalties for deficient descriptions of package contents. CBP has assured me that "The Trade Act of 2002 has been implemented and does include a penalty provision for bad description of package contents for all modes of transportation."

For the past 3 years, please provide a list of the penalties that have been levied, including the companies that they have been levied against, the amount of the fine that was proposed, and the amount that was collected.

Answer. Please see table below. There are several reasons the assessed amounts differ from the amount collected on all penalty data. First, the collection of monies assessed on these penalties do not routinely occur within the same fiscal year as assessed because violators are afforded the ability to file a petition/supplemental petition on stating that a violation did not occur or there were mitigating factors that caused the violation. Second, when considering petitions/supplemental petitions, CBP reviews both mitigating and aggravating factors, which may result in a reduction of the penalty amount based on our Mitigation Guidelines. Finally, upon exhausting all avenues available to collect these penalties, CBP begin will close the case out as a write-off.

Most penalties assessed against violators are not covered by a bond, as are our liquidated damages claims. This has been identified as an obstacle to collection.

Carrier	Number of Violations per Fiscal Year	Fiscal Year	Sum of Assessed Amount	Sum of Collected Amount
A & M TRANSPORT	1	2017	$1,066	$1,066
ABF FREIGHT SYSTEM, INC.	3	2017	$12,600	$2,000
ACTION AIRPORT EXPRESS INC.	1	2017	$199	$199
AIRTIME EXPRESS INC.	1	2017	$10,000	$1,000
AIRWAY AUTO BROKER, LLC	1	2017	$1,810	$181
ALBERTS LTD	1	2017	$1,000	$1,000
ALVARADOS TRUCKING LLC	1	2017	$10,000	–
ALWEST TRANSPORT LTD	1	2017	$10,000	$1,000
AMAN LOGISTICS LTD	1	2017	$909	–
AMERICAN PRESIDENT LINES LTD	2	2017	$2,000	–
ANL SINGAPORE PTE LTD	1	2017	$10,000	$2,000
ARV TRANSPORTE	1	2017	$1,000	$500
ATLAS DIVISION TRANSPORTE	1	2017	$10,000	$1,000
AVIV TRANSPORT	1	2017	$1,000	$200
BARTEL BULK FREIGHT INC.	1	2017	$2,919	–
BERTS TRUCK EQUIPMENT	1	2017	$10,000	$200
BIG SKY AUTO TRANSPORT, INC.	1	2017	$1,000	$1,000
BISON TRANSPORT INC.	3	2017	$3,000	$2,500
BNSF RAILWAY	7	2017	$70,000	$6,000

Carrier	Number of Violations per Fiscal Year	Fiscal Year	Sum of Assessed Amount	Sum of Collected Amount
BOREAS LOGISTICS	1	2017	$10,000	$1,000
BULLS TRANSPORT	1	2017	$1,000	$1,000
BURLINGTON NORTHERN RAILWAY	6	2017	$51,000	$5,200
CANADIAN NATIONAL RAILWAY	17	2017	$161,000	$16,200
CANADIAN PACIFIC RAILWAY	11	2017	$73,630	$5,900
CARGO NORTHWEST	1	2017	$10,000	–
CASTOR TRANSPORT LLC	1	2017	$8,231	$500
CHINA SHIPPING CONTAINER LINES	3	2017	$3,000	$600
CMA CGM LOGISTICS USA LLC	2	2017	$11,000	$1,200
CON-WAY FREIGHT INC.	2	2017	$2,000	$1,000
COOPER BROTHERS TRUCKING LLC	1	2017	$10,000	$1,000
COSCO SHIPPING LINES, CO	1	2017	$1,000	$1,000
CP RAIL	1	2017	$1,000	$200
CROSSBORDER EXPRESS	1	2017	$225	–
CROWLEY CARIBBEAN LOGISTICS LLC	4	2017	$4,000	$1,200
CROWN EXPRESS TRANSPORT, INC.	1	2017	$10,000	$1,000
D'ALLIANCE MOTORS	1	2017	$234	$234
DAS LOGISTICS	1	2017	$1,000	$200
DHL EXPRESS (USA), INC.	9	2017	$9,000	–
DJ KNOLL TRANSPORT LTD	1	2017	$1,000	$200
DLH TRUCKING INC.	1	2017	$2,109	$211
DOUBLE V TRUCKING LTD	1	2017	$1,000	$200
DOWNTON'S TRANSPORT LTD	2	2017	$13,048	$1,304
DURAN FREIGHT CORPORATION	3	2017	$10,640	$1,090
EASTLAND TRANSPORT LTD	1	2017	$1,000	$200
EKUAM TRANSPORT INC.	1	2017	$1,000	$1,000
EL CHICURAL SPR DE RL	1	2017	$1,00	$1,000
ELT TRANSPORT LTD	2	2017	$2,000	$200
EMMANUEL TRANSPORT	1	2017	$1,000	$500
EVERGREEN LINE	1	2017	$1,000	$225
EXPRESS SERVICE TRANSPORT, INC.	1	2017	$925	$925
FAVEL TRANSPORTATION	1	2017	$1,000	$500
FED EX FREIGHT CANADA CORP	1	2017	$1,000	$200
FERROL TRUCKING SERVICES, INC.	62	2017	$62,000	$18,600
FERROL TRUCKING SERVICES, INC.	68	2017	$68,000	$20,400
FLAGSTAFF EXPRESS INC.	1	2017	$1,000	$500
FREEWAY TRUCKING INC.	1	2017	$599	–
FROCO S DE RL DE CV	1	2017	$5,538	$500
G P S GALAXY PACIFIC SERVICES LTD.	1	2017	$1,000	$500
GATEWAY CARRIERS LTD	3	2017	$3,893	$684
GILL WORLD LOGISTICS	1	2017	$1,000	$1,000
GPS GALAXY PACIFIC	1	2017	$10,000	$1,000
GRACE ROAD LINES LTD	2	2017	$1,448	$700
GREAT WHITE FLEET LTD	1	2017	$5,000	$500
GUERREROS TRUCKING	1	2017	$1,000	–
H & R TRANSPORT LTD	1	2017	$1,000	$500
HAMBURG SUD NORTH AMERICA	2	2017	$2,000	$2,000
HAMBURG SUDAMERIKANISCHE DAMPFSC	7	2017	$7,000	$7,000
HEYS TRANSPORT LTD	1	2017	$1,000	$1,000
HIGHLIGHT MOTOR FREIGHT INC.	2	2017	$2,000	$400
HJM INTERNATIONAL TRANSPORT	1	2017	$2,302	$2,302
HYUNDAI MERCHANT MARINE (AMERICA)	2	2017	$2,000	$1,700

Carrier	Number of Violations per Fiscal Year	Fiscal Year	Sum of Assessed Amount	Sum of Collected Amount
INTERNATIONAL STEAMSHIP AGENCY	1	2017	$2,211,429	$150,000
JADE EXPRESS INC.	1	2017	$1,000	–
JFG INTERNATIONAL INC.	1	2017	$3,164	$1,000
JOHAL'S TRUCKING INC.	1	2017	$6,293	–
K LINE AMERICA INC.	3	2017	$12,000	$1,150
K LINE AMERICA INC.	9	2017	$18,000	$2,750
K LINE AMERICA, INC.	5	2017	$5,000	$1,200
KC EXPRESS LTD	1	2017	$858	$200
KCATT TRUCKING	1	2017	$9,697	–
K–DAC ENTERPRISES, INC.	1	2017	$10,000	$1,000
K–LINE AMERICA	10	2017	$25,520	$3,100
KOOTENAY WOOD TRANSPORT LTD	1	2017	$4,194	$200
LAND ROUTE TRUCKLINES, INC.	1	2017	$10,000	$1,000
LANDSTAR INWAY INC.	1	2017	$1,000	$1,000
LAPARKAN TRADING LTD	1	2017	$10,000	–
LAX FREIGHT SERVICES INC.	1	2017	$912	$912
LEAVITTS FREIGHT SERVICE INC.	1	2017	$1,000	$1,000
LEN DUBOIS TRUCKING	1	2017	$1,000	$200
LIGHT SPEED LOGISTICS INC.	2	2017	$2,000	$1,500
LINEA AEREA CARGUERA DE COLOMBIA LANCO	1	2017	$1,000	$500
LIVING WATERS	1	2017	$198	$198
LOGISTIC INTL MT INC.	1	2017	$10,000	–
LORAS TRUCKING	1	2017	$10,000	$500
LTC INTERNATIONAL INC.	1	2017	$399	$399
MAERSK AGENCY USA INC.	14	2017	$33,081	$7,581
MARINE EXPRESS INC.	7	2017	$7,000	$2,400
MARTHA RUTH DELGADO VALDEZ	1	2017	$1,000	$500
MATSON NAVIGATION COMPANY INC.	1	2017	$1,000	$500
MAYER, YVONNE M.	1	2017	$1,000	$500
MCD TRANSPORTATION INC.	1	2017	$132	$132
MEDITERRANEAN SHIPPING CO.	3	2017	$3,000	$200
MERCER TRANSPORTATION CO.	1	2017	$609	$609
MESTON LIVESTOCK TRANSPORT	1	2017	$1,000	$200
MITSUI O.S.K. LINES LTD.	41	2017	$59,000	$34,000
MORGAN HOLDINGS	1	2017	$1,000	$500
MSC MEDITERRANEAN SHIPPING CO	2	2017	$2,000	$300
MULLEN TRUCKING INC.	1	2017	$1,000	$200
NORFOLK TRANSPORT LTD	1	2017	$1,000	$1,000
NYK LINE (NORTH AMERICA) INC.	2	2017	$7,009	$3,403
OLD DOMINION FREIGHT LINE INC.	1	2017	$2,227	$223
ONTINE TRANSFREIGHT	1	2017	$1,000	$1,000
OPTIMISTIC ENTERPRISES LTD	1	2017	$1,000	$200
ORIENT OVERSEAS CONTAINER LINE	4	2017	$4,000	$1,000
PACIFIC BROKERAGE CO	1	2017	$1,000	$500
PASKAL VAN RAAY FARMS LTD	1	2017	$1,000	–
POLARIS TRANSPORT	7	2017	$9,912	$5,982
PUDONG PRIME INTL LOGISTICS INC.	1	2017	$1,000	$1,000
R.S.GILL EXPRESS, LTD	1	2017	$3,027	$303
RDK TRANSPORTATION CO INC.	1	2017	$10,000	$1,000
ROCK TRUCKING LTD	1	2017	$704	–
ROCKPORT CARRIER CO INC.	1	2017	$10,000	$1,000
SBJS TRANSPORT INC.	1	2017	$1,000	$200
SCOTLYNN COMMODITIES INC.	1	2017	$10,000	$500
SEVEN HORSE TRANSPORT LTD	1	2017	$1,000	$500
SHANNON BROKERAGE CO.	1	2017	$1,000	$500
SILVER STALLION ENTERPRISE	2	2017	$1,040	$200

Carrier	Number of Violations per Fiscal Year	Fiscal Year	Sum of Assessed Amount	Sum of Collected Amount
SMOOT BROS TRANSPORTATION	1	2017	$1,000	$200
SNOWY OWL TRANSPORTATION INC.	1	2017	$10,000	$500
SOCIETE AIR FRANCE	1	2017	$1,000	$500
STEELHORSE FREIGHT SERVICES INC.	1	2017	$1,000	$1,000
STEVENSON FORMEL FREIGHT SERVICE	25	2017	$25,000	$10,600
SUNRISE TRANSPORT LTD	2	2017	$2,000	$2,000
SUPERDAVE'S SUPERSTORE	1	2017	$503	$503
SWIFT TRANSPORTATION COMPANY INC.	2	2017	$2,050	$200
SYSTEM TRANSPORT INC.	2	2017	$2,000	$2,000
T.E.A.M.S. TRUCKING	1	2017	$1,000	$200
TDX LOGISTICS INC.	1	2017	$1,740	$200
THE WAGGONERS TRUCKING	1	2017	$1,000	–
TMV	1	2017	$1,000	$1,000
TNT SKYPAK	1	2017	$1,000	–
TRANSPORTES JTH	1	2017	$1,000	$500
TRANSPORTES LEGASPY E HIJOS	2	2017	$20,000	$2,000
TRANSPORTES LOGSOON	1	2017	$1,000	–
TRANSX LIMITED	2	2017	$10,262	$1,262
TRIPLE EIGHT TRANSPORT INC.	3	2017	$11,884	$2,084
TST OVERLAND EXPRESS	2	2017	$3,561	$456
TURK ENTERPRISES LTD	1	2017	$10,000	$1,000
UNITED AIRLINES	1	2017	$120,955	$12,096
UNITED ARAB SHIPPING CO	11	2017	$11,000	$1,700
UNITED PARCEL SERVICE	1	2017	$382	$200
VERSA COLD NORTH AMERICA TRANS	1	2017	$1,000	$200
VM GLOBAL TRANSPORT LLC	1	2017	$10,000	–
VM TRANSPORT LTD	1	2017	$1,000	$200
WAGGONERS TRUCKING	1	2017	$200	$200
WAN HAI LINES (AMERICA) LTD	2	2017	$2,000	$850
WERNER ENTERPRISES INC.	1	2017	$1,000	$1,000
WESTERN TRADE WINDS LTD	1	2017	$1,000	$200
WILDWOOD TRANSPORT INC.	1	2017	$10,000	$1,000
XPO LOGISTICS FREIGHT CANADA	1	2017	$1,340	$200
YRC DBA ROADWAY EXPRESS	4	2017	$4,000	$1,700
ZIM AMERICAN INTEGRATED SHIPPING	1	2017	$1,000	$1,000

	2017
Penalties	506
Assessed Amount	$3,546,605.45
Collected Amount	$405,012.73

TARIFF ACT PENALTIES

Question. Please provide the penalties and collections under 19 U.S.C. 1436 for FY 2015–FY 2018. Please include a breakdown of the penalties by carrier and by violation.

Answer. Please see table below. There are several reasons the assessed amounts differ from the amount collected on all penalty data. First, the collection of monies assessed on these penalties do not routinely occur within the same fiscal year as assessed because violators are afforded the ability to file a petition/supplemental petition on stating that a violation did not occur or there were mitigating factors that caused the violation. Second, when considering petitions/supplemental petitions, CBP reviews both mitigating and aggravating factors, which may result in a reduc-

tion of the penalty amount based on our Mitigation Guidelines. Finally, upon exhausting all avenues available to collect these penalties, CBP begin will close the case out as a write-off.

Most penalties assessed against violators are not covered by a bond, as are our liquidated damages claims. This has been identified as an obstacle to collection.

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
"K" LINE AMERICA INC.	2017	5	25,000.00	7,000.00
5289514 MANITOBA LTD.	2017	1	5,000.00	500.00
7784813 CANADA CORPORATION	2017	1	5,000.00	500.00
ABX AIR	2017	2	10,000.00	2,000.00
ACE Quantum	2017	1	5,000.00	0.00
AER LINGUS	2017	2	10,000.00	1,500.00
AEROLINEAS ARGENTINAS	2017	1	5,000.00	500.00
AEROTRANSPORTE DE CARGA	2017	1	5,000.00	5,000.00
AGAM HOLDINGS LTD.	2017	1	5,000.00	500.00
AIKAM TRANSPORT	2017	1	5,000.00	500.00
AIR BERLIN	2017	1	5,000.00	1,000.00
AIR CANADA	2017	3	15,000.00	500.00
AIR FRANCE	2017	17	105,000.00	10,750.00
AIR SERV CORPORATION	2017	2	10,000.00	2,000.00
AIR TAHITI	2017	1	5,000.00	5,000.00
AIRBRIDGE CARGO AIR	2017	5	25,000.00	2,500.00
ALITALIA AIR	2017	1	5,000.00	1,000.00
ALKAN AIR LIMITED	2017	1	5,000.00	5000.00
ALL NIPPON	2017	7	35,000.00	7,000.00
AMAZON.COM	2017	4	4,000.00	0.00
AMERICAN AIRLINES	2017	15	72,000.00	14,500.00
AMERICAN PRESIDENT LINE	2017	28	140,000.00	6,9850.00
AMSA USA INC.	2017	2	10,000.00	1,000.00
ANDY TRANSPORT INC.	2017	1	5,000.00	500.00
ANKER INTERNATIONAL LLC	2017	1	5,000.00	1,500.00
ANL CONTAINER LINE PTY LIMITED	2017	25	125,000.00	61,250.00
ANL SINGAPORE PTE LTD.	2017	8	40,000.00	19,650.00
ARACOR, INC.	2017	3	15,000.00	2,250.00
ARANSAS PILOTS	2017	1	5,000.00	5,000.00
ARI-SON TRUCKING	2017	1	5,000.00	500.00
ARNOLD BROS TRANSPORT LTD.	2017	4	20,000.00	2,000.00
ATLANTIC CONTAINER LINE AB	2017	1	5,000.00	500.00
ATLAS AIR	2017	5	25,000.00	3,500.00
AUSTRIAN AIRLINES	2017	1	5,000.00	1,400.00
AUTOTRANSPORTE DE CARGA HCC	2017	1	5,000.00	500.00
AVJET CORPORATION	2017	1	5,000.00	500.00
BARTEL BULK FREIGHT INC.	2017	3	15,000.00	1,000.00
BENIPAL BROTHERS LTD.	2017	1	5,000.00	500.00
BIEHL & CO.	2017	1	500.00	500.00
BIRKETT FREIGHT SOLUTIONS INC.	2017	1	5,000.00	500.00
BISON TRANSPORT	2017	3	15,000.00	1,500.00
BLUE ANCHOR AMERICA LINE	2017	8	40,000.00	21,650.00
BLUE CARGO GROUP	2017	1	5,000.00	1,500.00
BNSF RAILWAY COMPANY	2017	1	5,000.00	5,000.00
BOA OFFSHORE A S	2017	1	5,000.00	0.00
BONANZA GROUP	2017	1	5,000.00	270.00
BP SHIPPING LTD	2017	1	5,000.00	500.00
BRITISH AIRWAYS PLC	2017	7	35,000.00	11,250.00
BRUSSELS AIRLINES NV	2017	2	10,000.00	2,000.00
BTC-EXPRESS	2017	1	500.00	500.00
BTI CARTAGE	2017	1	500.00	500.00
BULKSHIP MARITIME	2017	1	5,000.00	0.00
BURLINGTON NORTHERN	2017	4	30,000.00	9,400.00
C2C, INC.	2017	1	5,000.00	150.00
CANADIAN FREIGHTWAYS LTD.	2017	1	5,000.00	500.00

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
CANADIAN NATIONAL RAILWAY	2017	9	56,000.00	16,000.00
CANAMEX TRUCKING SYSTEM, INC.	2017	1	1,353.13	1,353.13
CANEDA FOREST PRODUCTS SALES	2017	1	5,000.00	500.00
CARGO CONTAINER LINE LIMITED	2017	4	20,000.00	6,500.00
CARGOLUX AIRLINES	2017	4	25,000.00	12,000.00
CARNIVAL CORPORATION	2017	6	32,100.00	5,700.00
CATHAY PACIFIC	2017	2	10,000.00	2,000.00
CAYMAN AIRWAYS, LTD..	2017	1	5,000.00	250.00
CCNI	2017	1	5,000.00	0.00
CELEBRITY CRUISES INC.	2017	2	1,500.00	1,500.00
CHALLENGER MANUFACTURING	2017	1	5,000.00	500.00
CHALLENGER MOTOR FREIGHT	2017	1	5,000.00	500.00
CHARTRIGHT AIR	2017	1	5,000.00	500.00
CHEVAL TRANSPORT LTD.	2017	1	5,000.00	0.00
CHINA AIRLINES	2017	1	5,000.00	500.00
CHINA BUFFET	2017	2	2,000.00	100.00
CHINA EASTERN AIRLINES	2017	18	90,000.00	18,000.00
CHINA OCEAN SHIPPING COMPANY	2017	12	60,000.00	10,300.00
CHINA SOUTHERN AIRLINES CO.	2017	1	5,000.00	1,000.00
CINCO AIR CHARTER	2017	1	5,000.00	1,000.00
CLEARFREIGHT	2017	1	5,000.00	5,000.00
CMA CGM (AMERICA) INC.	2017	33	165,000.00	72,587.00
COLUMBIA SHIP MGT	2017	1	5,000.00	500.00
COMPANIA PANAMENA DE AVIACION	2017	1	5,000.00	0.00
CONDOR FLUGDIENST	2017	2	10,000.00	1,000.00
COPA AIRLINE	2017	1	5,000.00	500.00
COSCO SHIPPING LINES CO.	2017	35	175,000.00	15,000.00
COTTONWOOD LOGISTICS INC.	2017	1	5,000.00	500.00
CRANE WORLDWIDE LOGISTICS LLC	2017	2	10,000.00	2,000.00
CRAWLEY LATIN AMERICA SERVICES	2017	1	5,000.00	550.00
CROWLEY CARIBBEAN SERVICES	2017	30	15,000.00	14,950.00
CROWN EXPRESS TRANSPORT, INC.	2017	1	305.00	0.00
CRUCES INTERNACIONALES	2017	1	5,000.00	1,400.00
CRYSTAL CRUISES LLC	2017	1	1,200.00	1,200.00
CSX TRANSPORTATION	2017	6	55,000.00	10,500.00
CUSTOM TRANSPORT LTD.	2017	2	10,000.00	500.00
DARCOL INTERNATIONAL INC.	2017	2	10,000.00	500.00
DECKX TRANSPORT	2017	1	5,000.00	500.00
DEEPLAND EXPRESS	2017	1	5,000.00	500.00
DELTA AIRLINES	2017	16	80,000.00	5,000.00
DEVA JATT TRANSPORT LTD.	2017	1	5,000.00	500.00
DJ KNOLL TRANSPORT, LTD.	2017	1	10,000.00	500.00
DM TRANSPORT	2017	1	5,000.00	500.00
DOMINGO LAN NAC.	2017	1	5,000.00	1,000.00
DYNAMIC AIRWAYS	2017	2	10,000.00	5,500.00
EASTERN MARITIME	2017	1	5,000.00	0.00
EBD ENTERPRISES INC.	2017	1	5,000.00	500.00
EIFFEL TRANSPORT	2017	1	7,862.73	500.00
EMIRATES AIRLINES	2017	10	50,000.00	8,500.00
EMPRESAS	2017	1	5,000.00	0.00
ESSEN TRANSPORT LTD.	2017	1	5,000.00	500.00
ETIHAD AIRWAYS, P.J.S.C.	2017	2	10,000.00	1,500.00
EVERGREEN LINE	2017	5	25,000.00	0.00
EW WYLIE CORPORATION	2017	1	5,000.00	5,000.00
EXECAIRE	2017	1	10,000.00	0.00
EXPRESS LOGISTICS LA HUERTA	2017	1	5,000.00	500.00
EXPRESSJET	2017	1	5,000.00	1,500.00

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
FAVEL TRANSPORTATION INC.	2017	1	5,620.00	500.00
FEDEX	2017	16	115,671.00	7,000.00
FLAGSTAFF EXPRESS INC.	2017	1	5,000.00	500.00
FLORIDA BARGE CORP	2017	1	5,000.00	500.00
FOUR HANDY LTD.	2017	1	5,000.00	750.00
FRONTIER AIRLINES	2017	1	5,000.00	500.00
G D T ENTERPRISES LTD.	2017	2	10,000.00	1,000.00
GAC SHIPPING (USA) INC.	2017	3	15,000.00	2,000.00
GANNET SHIPPING LLC	2017	1	5,000.00	750.00
GENERAL MARITIME	2017	1	5,000.00	1,500.00
GENERAL STEAMSHIP	2017	5	40,000.00	7,250.00
GOJET AIRLINES	2017	1	5,000.00	5,000.00
GREAT WHITE FLEET LTD.	2017	49	245,000.00	24,800.00
GRIMALDI DEEP SEA S.P.A.	2017	1	100,000.00	0.00
GS TRANSPORT	2017	1	5,000.00	0.00
GULF HARBOR SHIPPING	2017	1	5,000.00	1,760.00
GURU GLOBE MOVING SYSTEMS	2017	1	5,393.88	0.00
HAMBURG SUD	2017	21	105,000.00	73,687.00
HANJIN SHIPPING	2017	2	10,000.00	10,000.00
HAPAG-LLOYD (AMERICA) INC.	2017	10	50,000.00	16,250.00
HAPPY CHINA	2017	1	1,000.00	100.00
HEYL TRUCK LINES INC.	2017	1	5,000.00	500.00
HIGHLIGHT MOTOR FREIGHT INC.	2017	2	20,000.00	1,000.00
HILLSIDE TRUCKING LTD.	2017	1	10,000.00	500.00
HISAMOTO KISEN CO. LTD.	2017	1	5,000.00	750.00
HONOUR LANE SHIPPING LTD.	2017	2	10,000.00	6,000.00
HOST AGENCY	2017	2	10,000.00	2,500.00
HYNDMAN TRANSPORT LIMITED	2017	1	5,000.00	500.00
HYUNDAI MERCHANT MARINE (AMERICA)	2017	7	35,000.00	10,500.00
ICELAND AIR	2017	1	10,000.00	1,000.00
IDEAL TRANSPORT & DRIVING	2017	1	5,000.00	0.00
INCHCAPE SHIPPING SERVICES	2017	7	35,000.00	3,200.00
INTERNATIONAL TRADE SOLUTIONS	2017	1	5,000.00	0.00
JAGJOT EXPRESS INC.	2017	1	500.00	500.00
JAPAN AIRLINES CO. LTD.	2017	1	5,000.00	0.00
JET AVIATION	2017	1	5,000.00	650.00
JET METHODS INC.	2017	1	5,000.00	600.00
JETLEASE	2017	1	5,000.00	600.00
K LINE AMERICA INC.	2017	7	35,000.00	16,000.00
K3 MARITIME AGENCY INC.	2017	2	5,500.00	5,500.00
KALITTA CHARTERS, LLC	2017	1	5,000.00	1,000.00
KARRIERS INC.	2017	1	5,000.00	500.00
KENYA AIRWAYS LTD.	2017	1	5,000.00	5,000.00
KEYSTONE AUTOMOTIVE	2017	2	8,292.00	2,000.00
KEYSTONE AVIATION LLC	2017	1	5,000.00	500.00
KING OCEAN SERVICES	2017	2	5,500.00	2,250.00
KING OF THE ROADS	2017	6	46,378.00	0.00
KIRBY OFFSHORE	2017	2	10,000.00	1,000.00
KLM ROYAL DUTCH AIRLINES	2017	6	30,000.00	4,500.00
KOREAN AIRLINES	2017	5	25,000.00	800.00
LAN CARGO	2017	2	10,000.00	3,500.00
LANDSTAR INWAY	2017	2	10,500.00	1,000.00
LANDSTAR RANGER INC.	2017	1	500.00	500.00
LATAM AIRLINES	2017	1	5,000.00	0.00
LAWRENCE GIESBRECHT TRANS INC.	2017	2	10,000.00	500.00
LCS LOGISTICS INC.	2017	1	5,000.00	1,500.00
LIGHTHOUSE SHIPPING AGENCY	2017	1	500.00	500.00
LIGHTWAY TRANSPORT INC.	2017	2	10,000.00	1,000.00
LOFTY INC.	2017	1	500.00	500.00
LOGISTICA DE CARGA DEL NOROESTE	2017	1	5,000.00	500.00

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
LOGISTICA ROCHA SA DE CV	2017	1	5,000.00	500.00
LONGVIEW LOGISTICS LTD.	2017	1	5,000.00	500.00
LOTT SHIP AGENCY	2017	2	10,000.00	1,250.00
LUFTHANSA CARGO	2017	3	15,000.00	3,500.00
LYON AVIATION	2017	1	5,000.00	0.00
MAERSK	2017	73	365,000.00	312,075.00
MANN, R TRUCKING LTD.	2017	1	5,000.00	0.00
MARIANA EXPRESS LINES	2017	1	5,000.00	3,500.00
MATSON NAVIGATION	2017	2	10,000.00	2,500.00
MEDITERRANEAN SHIPPING CO.	2017	21	200,000.00	35,150.00
MESA AIRLINES INC.	2017	2	10,000.00	2,000.00
MITSUI O S K LINES	2017	56	280,000.00	181,400.00
MNG AIRLINES CARGO	2017	1	5,000.00	5,000.00
MORAN SHIPPING AGENCIES	2017	1	5,000.00	750.00
NANAK TRUCK TRANSPORT	2017	1	500.00	500.00
NATIONAL SHIPPING CO. OF SAUDI ARABIA	2017	6	30,000.00	10,500.00
NAVIOS TANKERS MGT	2017	1	5,000.00	500.00
NAVKIN TRANSPORT LTD.	2017	1	5,000.00	500.00
NEOCON INT.	2017	1	5,000.00	0.00
NIPPON CARGO AIRLINE	2017	2	10,000.00	1,000.00
NORD SUD SHIPPING, INC.	2017	1	10,000.00	1,500.00
NORFOLK TRANSPORT LTD.	2017	3	15,000.00	1,500.00
NORTON LILLY	2017	12	40,000.00	4,000.00
NORWEGIAN AIR SHUTTLE	2017	2	10,000.00	6,000.00
NORWEGIAN CRUISE LINE	2017	9	8,400.00	4,500.00
NSC SHIPPING	2017	1	5,000.00	500.00
NSN TRANSPORT	2017	2	93,888.00	0.00
NYK LINE	2017	9	45,000.00	29,800.00
OCEAN BLUE XPRESS, LTD.	2017	1	7,104.00	0.00
OCEANIA CRUISE LINES	2017	2	1,500.00	1,500.00
OLD DOMINION FREIGHT	2017	7	138,000.00	4,500.00
ONE CALL LOGISTICS INC.	2017	2	10,000.00	1,000.00
ORIENT OVERSEAS CONTAINER LINE	2017	13	65,000.00	8,000.00
OS TVM LOGISITICS	2017	1	5,000.00	500.00
P & D LOGISTICS LTD.	2017	1	10,000.00	500.00
PACIFIC BUFFET	2017	1	1,000.00	100.00
PACIFIC COAST JET CHARTER INC.	2017	1	5,000.00	0.00
PACIFIC INTERNATIONAL LINES (PTE) LTD.	2017	6	30,000.00	16,200.00
PARACLETE TRANSPORT LTD.	2017	1	5,000.00	500.00
PAUL BRANDT TRUCKING	2017	2	10,000.00	500.00
PEARL TRANSPORT INC.	2017	1	10,000.00	500.00
PEEL CARTAGE SYSTEM	2017	1	7,104.00	0.00
PENNER INTERNATIONAL	2017	2	10,000.00	500.00
PETES GENERAL FREIGHT	2017	1	5,000.00	0.00
PHILIPPINE AIRLINES INC.	2017	1	5,000.00	1,000.00
PJSC AIRLINE UKRAINE AIR ALLIANCE	2017	1	5,000.00	1,000.00
POLYNESIA LINE LTD.	2017	3	15,000.00	8,000.00
PRAIRIE GOLD TRANSPORT LTD.	2017	1	5,000.00	0.00
PROMAR AGENCY LTD.	2017	1	500.00	500.00
QANTAS AIRLINES	2017	9	45,000.00	6,000.00
QATAR AIRWAYS	2017	13	65,000.00	39,500.00
R M LOGISTICS INC.	2017	1	5,000.00	0.00
R&T LOGISTICS INC.	2017	2	23,628.00	2,000.00
REIMER EXPRESS LINES	2017	1	5,000.00	1,000.00
RITTERMAN TRUCKING LLC	2017	1	5,000.00	500.00
ROSEDALE TRANSPORT LTD.	2017	1	5,000.00	500.00
ROYAL AIR MAROC	2017	2	10,000.00	1,000.00
ROYAL CARIBBEAN	2017	12	16,900.00	4,700.00
ROYAL DUTCH AIRLINES	2017	2	10,000.00	2,000.00
RPM TRANSIT	2017	1	5,000.00	500.00

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
RSB LOGISTICS	2017	1	5,000.00	500.00
RUBY TRUCK LINE INC.	2017	2	10,000.00	1,000.00
RYDER INTEGRATED LOGISTICS	2017	1	10,000.00	500.00
S AND S TRANSPORT LTD.	2017	1	5,000.00	500.00
S B TRUCKING LTD.	2017	1	10,000.00	304.00
SAFMARINE CONTAINER LINES	2017	6	30,000.00	13,200.00
SAUDI ARABIAN AIRLINES	2017	1	5,000.00	1,000.00
SCANDINAVIAN AIRLINES	2017	6	30,000.00	8,500.00
SCOTLYNN COMMODITIES, INC.	2017	1	1,371.60	500.00
SEA MARK MANAGEMENT INC.	2017	1	500.00	500.00
SEALAND	2017	8	40,000.00	16,287.00
SEAMAX NORWALK	2017	1	5,000.00	3,000.00
SEARCY TRUCKING LTD.	2017	2	10,000.00	1,000.00
SEATRADE GROUP NV	2017	1	5,000.00	1,500.00
SERVICIOS AEREOS ACROSS S.A.	2017	1	5,000.00	0.00
SETA TRANSPORTATION	2017	2	10,000.00	0.00
SHIPCO TRANSPORT INC.	2017	1	5,000.00	1,000.00
SILK WAY WEST AIRLINES	2017	1	5,000.00	0.00
SILVER AIRWAYS	2017	2	10,000.00	10,000.00
SILVERSEAS CRUISES LTD.	2017	1	5,000.00	1,000.00
SKELTON TRUCK LINES, LTD.	2017	1	500.00	500.00
SKY REGIONAL AIR	2017	2	10,000.00	1,000.00
SM LINE CORPORATION	2017	1	5,000.00	1,000.00
SOCIETE AIR FRANCE	2017	3	15,000.00	10,500.00
SOUTHPORT AGENCIES INC.	2017	2	10,000.00	2,000.00
SOUTHWEST AIRLINES	2017	4	20,000.00	0.00
SOUTHWEST CARRIERS, INC.	2017	1	500.00	500.00
STARTECK TRANSPORT	2017	1	10,000.00	500.00
SUNQUEST EXEC AIR CHARTER	2017	12	60,000.00	6,000.00
SUNSET EXPRESS INC.	2017	2	10,000.00	500.00
SWAG TRANSPORT LTD.	2017	1	5,000.00	500.00
SWISS INTERNATIONAL AIR	2017	3	15,000.00	1,500.00
SYSTEMS TRANSPORT, INC.	2017	2	5,771.00	1,000.00
T. PARKER HOST, INC.	2017	1	10,000.00	2,500.00
TACA AIRLINES	2017	1	5,000.00	0.00
TAMPA CARGO S.A.	2017	1	5,000.00	2,500.00
TANDET LOGISTICS INC.	2017	1	5,000.00	500.00
TANGO LIMA LLC	2017	1	10,000.00	1,100.00
TDX LOGISTICS INC.	2017	1	10,000.00	500.00
TEAMS 3163601 MANITOBA LTD.	2017	1	5,000.00	500.00
TERMINAL SHIPPING CO., INC.	2017	1	5,000.00	2,000.00
TEUTONIC TRANSPORT INC.	2017	1	5,000.00	500.00
THE CHINA NAVIGATION CO. PTE LTD.	2017	1	5,000.00	1,500.00
TOP WAY LOGISTICS	2017	2	20,000.00	1,000.00
TRACTORES Y CAMIONES DE NOGALE	2017	2	15,000.00	1,500.00
TRAILER BRIDGE INC.	2017	1	5,000.00	500.00
TRANS STATES AIR	2017	2	10,000.00	5,500.00
TRANS-EXEC AIR SERVICE, INC.	2017	1	5,000.00	5,000.00
TRANSFRUT EXPRESS LIMITED	2017	6	30,000.00	1,000.00
TRANSMARINE NAVIGATION	2017	2	10,000.00	1,500.00
TRANSPORTES	2017	11	65,000.00	5,500.00
TRANSX LTD.	2017	2	15,000.00	1,500.00
TRAVEL SERVICE A.S.	2017	1	5,000.00	0.00
TRIDAN TRANSPORT LLC	2017	1	10,000.00	0.00
TRIPLE O TRANSPORT	2017	1	5,000.00	500.00
TURK ENTERPRISES	2017	1	5,000.00	500.00
TURKISH AIRLINES INC.	2017	27	140,000.00	30,500.00
UNIDOS TRANSPORT	2017	1	5,000.00	500.00
UNION COMMERICAL	2017	1	5,000.00	750.00
UNION PACIFIC RAILROAD COMPANY	2017	6	58,254.00	0.00
UNIPAC SHIPPING INC.	2017	1	5,000.00	500.00

Carrier	Fiscal Year	Number of Violations Per Fiscal Year	Sum of Assessed Amount ($)	Sum of Collected Amount ($)
UNITED AIRLINES	2017	51	304,000.00	49,500.00
UNITED ARAB SHIPPING CO.	2017	5	25,000.00	14,500.00
UPS	2017	13	151,389.00	9,500.00
V SHIPS LTD.	2017	1	5,000.00	1.000.00
VICTORIA SHIP MANAGEMENT	2017	1	500.00	0.00
VIRGIN ATLANTIC AIRWAYS	2017	5	25,000.00	7,500.00
VITESSE TRUCKING SERVICE	2017	2	56,526.00	2,000.00
VOLARIS	2017	1	5,000.00	5,000.00
VOLGA DNEPR CARGO AIRLINES	2017	1	5,000.00	0.00
VULICA SHIPPING CO. LTD.	2017	1	5,000.00	2,000.00
WAN HAI LINES (AMERICA) LTD.	2017	3	15,000.00	6,000.00
WAYNE TRANSPORTS INC.	2017	1	5,000.00	500.00
WESTERN GLOBAL AIRLINES LLC	2017	2	10,000.00	500.00
WESTERN OVERSEAS CORP	2017	1	5,000.00	500.00
WESTERN SHIPPING AMERICA INC.	2017	2	10,000.00	8,700.00
WESTJET	2017	1	5,000.00	1,000.00
WHITERIVER LOGISTICS	2017	1	5,000.00	500.00
WILHELMSEN SHIPS SERVICE INC.	2017	2	10,000.00	5,000.00
WORLD TANKERS MANGEMENT	2017	1	5,000.00	1,250.00
WORLDWIDE CARRIERS LTD.	2017	1	5,000.00	500.00
YANG MING MARINE TRANSPORT	2017	2	10,000.00	5,000.00
YANGTZE RIVER AIRLINES	2017	1	5,000.00	0.00
YUSEN LOGISTICS (AMERICAS) INC.	2017	1	5,000.00	2,450.00
ZETTA JET USA	2017	1	5,000.00	0.00
ZIM INTEGRATED SHIPPING SERVICES	2017	8	40,000.00	30,000.00

	2017
Penalties	1,216.00
Assessed Amount	$6,568,511.34
Collected Amount	$1,780,923.13

DETAILED EMPLOYEES

Question. Please provide an updated list of all employees that have been temporarily detailed to another assignment in FY 2018. Please include the area of responsibility that they were detailed from, the location that they were detailed to, the dates of the detail, and the justification for that detail.

Answer. The level of detail requested is not available. However, CBP has a flexible workforce, and personnel may be given temporary duty assignments as events warrant.

TACTICAL CHECKPOINTS

Question. Please provide the number of tactical checkpoints that have been implemented between FY 2016 and FY 2018 broken down by area of responsibility. Please include a brief description of the operational necessity for each checkpoint.

Answer. From fiscal year 2016 to fiscal year 2018, the U.S. Border Patrol implemented tactical immigration checkpoints at 93 locations throughout the United States. These checkpoints, part of USBP's defense-in-depth strategy, support overall enforcement efforts and are based on intelligence, operational tempo, and available resources. All checkpoint operations occurred at preapproved locations in the following sectors: San Diego, El Centro, Yuma, El Paso, Tucson, Big Bend, Del Rio, Laredo, Rio Grande Valley, Swanton, and Houlton.

QUESTIONS SUBMITTED BY HON. MARIA CANTWELL

TARIFF IMPACT

Question. I am concerned that the administration's trade war will jeopardize the jobs and economic impacts supported by our ports. Roughly $13.5 billion of goods moving through the ports of Seattle and Tacoma are now subject to increased tariffs. In retaliation, China has also imposed tariffs on U.S. wheat; roughly 10 percent of America's wheat destined for international markets moves through the port of Vancouver.

Has the Trump administration considered the negative economic impact retaliatory tariffs will have on American ports across our country?

What steps is the administration taking to mitigate the negative impacts that tariffs will have on port jobs and impacts?

Answer. The Office of the United States Trade Representative (USTR) is responsible for developing and coordinating U.S. trade policy on behalf of the President of the United States. U.S. Customs and Border Protection (CBP) ensures these policies—inclusive of trade remedies—are reflected, where appropriate, in the enforcement of U.S. Customs laws. As such, USTR is better positioned to provide a fulsome response to your question about the economic impacts of retaliatory tariffs.

PORT STAFFING

Question. Last time you were before this committee, for your confirmation hearing, I asked you about staffing at our ports. You pointed out the impacts of increased innovation and programs like the AQUA Lane program, which allows sea carriers who are in good standing with the Customs-Trade Partnership Against Terrorism program to expedite their clearance process and unload their goods immediately upon arrival. While these programs are important, they do not replace the need for adequate staffing at our ports. More Customs officers are needed to ensure the smooth shipment of goods and to help our airports access additional international routes. The fiscal year 2017 staffing model indicated there was a need for over 2,500 additional Customs officers in FY 2018.

How many of those positions have been filled at this time?

Answer. The most recent congressional appropriation added funding for 328 additional CBPOs, increasing the authorized CBPO staffing level to 24,475. As of September 1, 2018 CBP employs 23,279 CBPOs, a net increase of 200 officers since the beginning of the fiscal year (FY).

CBP has made significant progress toward filling vacant positions in FY 2018, and our budget requests continue to include additional recruitment and hiring initiatives to meet full staffing requirements not just to secure the border, but also to address critical emergent needs at the ports. CBP has focused its hiring efforts not just on CBPOs who perform law enforcement functions, but also on personnel who enhance CBP's travel and trade facilitation functions. These include customs auditors, international trade specialists, import specialists, Regulations and Rulings attorneys and Trade Facilitation and Trade Enforcement Act (TFTEA) implementation positions, as well as textile specialists, chemists and other personnel with specific skillsets that are essential to trade facilitation.

SHORTENED HIRING TIMELINE

Question. In your testimony you pointed to steps you have taken to improve the timeline of new hires from 469 days to 294 days. Has this shortened hiring timeline resulted in a meaningful increase in staffing or are additional steps needed to boost hiring?

Answer. The referenced 469-day time to hire baseline dates back to January 2016, and the reduction to 291 days coincided with significant improvement in applicant-to-hire ratios, which in combination has resulted in meaningful increases in hiring. This was the result of multiple concurrent efforts, including process improvements, increased levels of engagement with applicants, enhanced data analytics, and continued investments in marketing, advertising, and recruitment. Because of these efforts and investments, CBP is on track to nearly double the number of Border Patrol Agent (BPA) hires and increase CBPO hires by more than 40 percent from FY16 to FY18. CBP is committed to continuing the refinement and improvement of our recruiting and hiring practices in order to further increase staffing levels.

CUSTOMS OFFICERS ON THE SOUTHERN BORDER

Question. Earlier this year, there were reports that Customs officers were being taken from ports across the country and sent to the southern border. Which ports were these officers taken from?

Answer. CBP Officers (CBPOs) are deployed to the southern border from across all field offices, with the exception of Preclearance. Each quarter approximately 100 CBPOs are detailed from across the country, minimizing the impact for any one port of entry. The rotational CBPOs are used for processing immigration cases and augmenting passenger processing in an attempt to minimize the impacts on the facilitation of legitimate trade and travel.

Question. What metrics were used to make those decision?

Answer. CBP's Office of Field Operations (OFO) analyzes the ratio of onboard personnel compared to the number of total authorized, the historical seasonal workload, and the number of current personnel in a training status for each field office. Using the analysis, OFO determines which field offices are best positioned to temporarily deploy staff as necessary.

VULNERABLE POPULATIONS

Question. U.S. and international law gives people fleeing violence and persecution the right to pursue asylum in the United States. In your testimony before the committee you state that over 1,000 asylum seekers have been turned away at the border and are waiting between 7–14 days before their claims can be processed. In your testimony you stated that these wait times depend "on ICE's capacity to pick people up who are in our custody."

What about the problem of families waiting to claim asylum and waiting in makeshift shelters at the border, which is especially difficult for vulnerable populations?

Answer. CBP carries out its mission of border security while adhering to U.S. law and international legal obligations for the protection of vulnerable and persecuted persons. The laws of the United States, as well as international treaties to which we are a party, allow people to seek asylum and related forms of relief and protection on the grounds that they fear being persecuted in their country of nationality or last habitual residence because of their race, religion, nationality, membership in a particular social group, or political opinion, or where it is more likely than not that they would be tortured if removed to the proposed country of removal. CBP understands the importance of complying with these laws, and takes its legal obligations seriously. Accordingly, CBP has designed policies and procedures based on these legal standards, in order to protect vulnerable and persecuted persons in accordance with these legal obligations. CBP strives to process cases in an expeditious manner and there are several factors which affect how long case processing takes. These factors include, for instance, availability of translation services, traffic volume, and enforcement activity occurring at the port of entry (POE).

Question. What is the current guidance for how CBP officers and border agents treat vulnerable populations like the disabled, elderly, children, and pregnant women both crossing the border and at ports of entry?

Answer. CBP strives to process the traveling public in an expeditious manner and there are several factors that affect how long it may take. These factors include, for instance, availability of translation services, traffic volume, and enforcement activity occurring at the POE.

IDENTIFYING ASYLUM SEEKERS

Question. CBP officers and Border Patrol agents are often the first U.S. officials an asylum seeker meets when they enter the United States. They serve an important role in the processing of asylum seekers in the United States.

How do CBP officers and Border Patrol agents determine whether or not an individual is an asylum seeker?

Answer. Individuals who seek asylum or other forms of relief or protection may present themselves at any port of entry (POE). If an individual arriving in the United States at a POE or apprehended within 14 days of entry and 100 miles of the border is inadmissible to the United States due to a lack of proper documents or engaging in fraud or misrepresentation, the individual may be placed in expedited removal proceedings. However, if the individual expresses an intention to apply for asylum, a fear of persecution or torture, or a fear of return to his or her

country of origin, his or her case is referred to U.S. Citizenship and Immigration Services (USCIS) for a credible fear determination. Certain individuals who are ineligible for asylum because they are subject to the reinstatement of a prior removal order or to streamlined administrative removal proceedings as aggravated felons, may nevertheless be entitled to protection from removal to a country where they face a likelihood of persecution or torture. Such individuals are referred to USCIS for a reasonable fear screening if they express a fear of return to their country of origin. Such individuals are referred to USCIS for a reasonable fear screening if they express a fear of return to the country of removal.

Question. What guidance have they been given regarding identifying and processing asylum seekers?

Answer. Agents have been instructed to refer all individuals to USCIS who express an intention to apply for asylum, a fear of persecution or torture of return to his or her country of origin. Agents do not make credible fear determinations nor weigh the validity of the claim.

DATA RECORDING

Question. How is data recorded regarding the questions CBP officers and Border Patrol agents ask and the responses they receive from apprehended individuals?

Answer. CBP maintains systems of records, which have publicly available Systems of Records Notices and Privacy Impact Assessments. In general, information obtained from aliens during processing will become part of the alien's Alien file, known as an "A file."

Question. How do CBP officers and Border Patrol agents ensure that individuals apprehended at the border understand the questions being asked of them?

Answer. All charging documents are translated to a language the alien can understand. In addition, U.S. Border Patrol (USBP) agents receive Spanish language training at the academy and are required to be proficient as a condition of employment.

Question. What kind of translation services are provided?

Answer. CBP maintains a contract for telephone interpretation services for instances where an alien who does not speak English or Spanish is apprehended as well as the language translation from agents at the border and CBP Officers and other personnel.

Question. What information is recorded about the apprehended individual's ability to understand the questions they are being asked?

Answer. CBP maintains systems of records, which have publicly available Systems of Records Notices and Privacy Impact Assessments. In general, information obtained from aliens during processing will become part of the alien's A file.

Question. Do CBP officers and Border Patrol agents give apprehended individuals a chance to review any data record for accuracy?

Answer. Yes, before any Sworn Statement or Notice to Appear (NTA) is signed, data integrity questions are asked by the processing agent. Once verbally approved, the alien is asked to sign agreeing to the accuracy and service.

CBP maintains systems of records, which have publicly available Systems of Records notices and Privacy Impact Assessments. In general, information obtained from aliens during processing will become part of the alien's A file.

Question. If so, are they provided translation services to ensure they understand the recorded data?

Answer. Yes, if translation or interpretation services are needed, they are provided.

Question. If the individual is illiterate, does someone read the data recorded aloud to them?

Answer. Yes, both the data and all charging documents and official correspondence is read to the alien in a language that he or she can understand. In cases where a sworn statement is provided, aliens are required to review their statement for accuracy and sign as verification.

Question. Is the data recorded verified by another officer or by a supervisor?

Answer. There are multiple checks and balances built into the system to ensure accuracy, legal sufficiency, and completeness of all data collected. This includes reviews by first and second line supervisors.

Question. How many CBP officers or Border Patrol agents are required to be present when questioning an apprehended individual?

Answer. Each apprehension is unique and agents assess the alien's criminal history, demeanor, age, gender, mental capacity, and other factors to determine the number of personnel required to interview an alien. There is no set policy on agent-to-alien ratio, and each individual is assessed on a case-by-case basis.

Generally, the case Officer/Agent is the only one required to be present, but due to the facility constraints, there may be multiple Officers/Agents within the vicinity of the individual being processed.

TRACKING SEPARATED FAMILIES

Question. Due to the Trump administration's zero-tolerance policy, over 2,300 children were separated from their families. This was not a surprise to Trump administration officials. Statements from various administration officials have indicated that they were well aware that the policy would result in the separation of families.

Before the implementation of the zero-tolerance policy, did you put into place a process to keep track of families after they were separated? Were you given any instructions by administration officials about putting a process of reunification in place?

Answer. The U.S. Border Patrol (USBP) has records of all subjects that are apprehended together. Family Unit records are stored in the Enforcement Integrated Database (EID). Additionally, the family unit information is captured within the Alien Registration file that is provided to ICE Enforcement and Removal Operations at the time that the alien is transferred to their custody. Additionally, the department of Health and Human Services were provided with parent or legal guardian information at the time of placement requests through ORR's UAC Portal.

RECORDS OF FAMILIES

Question. Does the Border Patrol have records of who entered the United States together? As DHS and HHS work to reunify families, how have these records been used and have these records been accurate?

Answer. The U.S. Border Patrol (USBP) has records of all subjects that are apprehended together. Alien apprehension, intake, and processing data records are stored in the Enforcement Integrated Database (EID).

REUNITING CHILDREN

Question. What are you doing to help reunite children with their parents who have already been deported?

Answer. The U.S. Government is currently taking steps to facilitate reunification in cases where the parents have asked to be reunified and when such reunifications are appropriate. On August 16, 2018, the government filed a reunification plan for children with parents who were previously removed with the district court in the case of *Ms. L. v. I.C.E.,* No. 18–cv–0428 (S.D. Cal. filed Feb. 26, 2018).

Question. How is CBP working with other agencies to assist in this effort?

Answer. CBP has provided all relevant information on apprehended aliens (both parents and minors) to U.S. Immigration and Customs Enforcement (ICE) and the Department of Health and Human Services (HHS).

TFTEA SECTION 303 REGULATION

Question. In the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), section 303 called for a new regulation regarding the disclosure of information upon seizure of circumvention devices to be promulgated within a year of the enactment of the legislation. This February marked 2 years since the passage of TFTEA and the regulation has yet to be promulgated. Circumvention devices are used to break the security of hardware in order to access illegal copyrighted content typically downloaded from the Internet. It is important for CBP to share information with businesses that are harmed by circumvention devices when they seize those devices.

Please provide me with an update on the promulgation of the regulation required by TFTEA section 303. When will the promulgation of this regulation be completed?

Answer. CBP has drafted a Notice of Proposed Rulemaking (NPRM) to implement TFTEA section 303. The NPRM has been reviewed by the Department of the Treasury. The Office of Management and Budget is currently reviewing the draft, along with interagency partners, under Executive Order 12866.

QUESTIONS SUBMITTED BY HON. ROBERT MENENDEZ

ASYLUM-SEEKERS TURNED BACK

Question. The Department of Homeland Security has repeatedly encouraged migrants seeking asylum to cross at ports of entry and not in between ports of entry. U.S. Customs and Border Protection (CBP) claims that no one at a port of entry is being denied an opportunity to make a claim of asylum. However, due to capacity issues, asylum seekers are being turned away at ports of entry and told to come back later.

How many potential asylum-seekers have presented themselves formally at a port of entry but have been turned back by CBP officers due to capacity issues?

Answer. An alien who arrives in the United States and is subject to expedited removal who asserts a fear of persecution or torture, or indicates an intention to apply for asylum is referred for a credible fear screening determination. Aliens who arrive in the United States, but are not subject to expedited removal, may seek other forms of protection or relief, depending on the manner of their arrival. CBP policy is to process all travelers, including applicants for admission, in an expeditious manner. All ports of entry (POEs) must balance resources to focus on the agency's core missions of safeguarding the border while promoting legitimate travel and trade.

Question. What is the capacity at ports of entry to process people?

Answer. CBP's Office of Field Operations (OFO) processes all aliens who apply for admission at U.S. POEs, and does not turn away anyone who is seeking asylum. At times, due to operational capacity or as necessary to facilitate orderly processing and maintain the security and safety of the traveling public, individuals may need to wait in Mexico before being permitted to enter the POE. Upon reaching the U.S. side of the border, all individuals are processed.

Question. Please break down the data for each specific port of entry into the United States on the southern border, as well as a totality for all ports of entry on the southern border. Additionally, please include all data from January 1, 2018 to present day.

Answer. OFO would need additional information to determine what specific data is being requested.

WAIT TIMES

Question. How long are the wait times at the ports of entry on the southern border to receive families who are claiming asylum?

How do you monitor this wait? Please break down the data for each specific port of entry into the United States at the southern border, as well as a totality for all ports of entry on the southern border.

Answer. Border wait times for commercial vehicles, passenger vehicles, and pedestrians are provided to the traveling public at *https://bwt.cbp.gov*. OFO strives to process cases in an expeditious manner and there are several factors which may affect how long case processing takes. These factors include, for instance, availability of interpretation services, traffic volume, and enforcement activity occurring at the port of entry (POE). At times, due to operational capacity or as necessary to facilitate orderly processing and maintain the security and safety of the traveling public, individuals may need to wait in Mexico before being permitted to enter the POE. Upon reaching the U.S. side of the border, all individuals are processed. Upon completion of inspection when the individual expressed a desire to apply for asylum, the individual is referred to USCIS for eligibility determination.

DAILY PROCESSING

Question. How many asylum seekers are you processing daily at ports of entry? Please break down the data for each specific port of entry into the United States

on the southern border, as well as a totality for all ports of entry on the southern border. Additionally, please include all data from January 1, 2018 to present day.

Answer. For the southwest border, CBP referred on average 90 asylum seekers per day at the POEs from May 1, 2018 through August 13, 2018. Data prior to May is unavailable, and CBP is unable to provide port specific data.

FAMILY PROCESSING

Question. Do you currently have a protocol to process families that arrive at a port of entry, including prioritizing on a humanitarian basis for groups like pregnant women? If not, are you developing one?

Answer. CBP policy is to process both applicants for admission and the traveling public in an expeditious manner, and there are several factors that affect how long case processing takes. These factors include, for instance, availability of translation services, traffic volume, and enforcement activity occurring at the port of entry. CBP prioritizes the inspection of those inadmissible applicants for admission who are high-risk (*e.g.,* unaccompanied alien children, pregnant women).

DESIGNATED PORTS

Question. Advocates have reported that in some ports people are being told to go to designated ports.

Do you have "designated" ports where asylum seekers are processed?

If CBP is designating ports for asylum processing, please provide a complete list of these designated ports, along with the legal justification for such a process.

Answer. No, any alien who arrives in the United States at any POE may seek asylum pursuant to U.S. law.

FAMILIES SEPARATED

Question. Please provide a monthly breakdown of the number of family units separated by U.S. Border Patrol and U.S. Office of Field Operations since January 2017. Include when and where all family separations occurred.

Answer. The U.S. Border Patrol (USBP) did not start tracking family separations in the official system of record until April 19, 2018. CBP is currently working closely with U.S. Immigration and Customs Enforcement (ICE) to compile a complete and accurate list.

Activity-Person-Juvenile Created Date	Activity-Person-Juvenile Count
August	5
July	20
June	6
May	5

Total Apprehensions Separated From a Family Unit

Border	Sector	Apr	May	Jun	Jul	Aug	Sep	Total
	BBT		126	5			1	**132**
	DRT	7	147	60	2	2		**218**
	ELC	2	4	14	4	2	14	**40**
	EPT	6	998	437	7	12	15	**1,475**
SBO	LRT		4	10				**14**
	RGV	85	1,189	1,415	67	85	73	**2,914**

Total Apprehensions Separated From a Family Unit—Continued

Border	Sector	Apr	May	Jun	Jul	Aug	Sep	Total
	SDC	9	12	9	2	9	8	**49**
	TCA	4	154	61	4	4	19	**246**
	YUM	73	1,113	211	14	19	34	**1,464**
SBO Total		**186**	**3,747**	**2,222**	**100**	**133**	**164**	**6,552**

Question. Please provide a breakdown of total family separations since January 2017 reflecting the reasons for the separation, whether the separation occurred at or between a port of entry, and whether the parent was referred for prosecution and if so for what offense.

Answer. USBP did not start tracking family separations in the official system of record until April 19, 2018. CBP is currently working closely with ICE to reconcile a complete and accurate list.

REFERRED FOR PROSECUTION

Question. Please provide data on the number of asylum seekers who arrived at ports of entry who were referred for prosecution in FY 2018. Please provide data on the number of asylum seekers who arrived in between ports of entry who were referred for prosecution in FY 2018.

Answer. CBP does not maintain statistics of all individuals who seek relief or protection, particularly given that these claims may be made before an immigration judge or affirmatively to U.S. Citizenship and Immigration Services (USCIS). However, for inland cases, we can provide information about those individuals who were subject to expedited removal at the time of processing and claimed a fear of return. As of August 9, 2018, the U.S. Border Patrol (USBP) apprehended 43,260 aliens who were subject to expedited removal and who claimed a fear of return. Of those 43,260 apprehensions, 7,545 were referred for prosecution. CBP does not maintain records with respect to such referrals at ports of entry, where such referrals would be rare and limited to cases where someone either attempts to drive or run through a POE without inspection.

ALLEGATIONS

Question. There have been reports of inhumane conditions and treatment of children and families in short-term CBP detention.

What steps is DHS/CBP taking to investigate the numerous allegations of unsafe conditions and coercive or abusive treatment of children and their families in short-term CBP custody?

Answer. DHS/CBP takes all allegations of employee misconduct seriously. Under a uniform system, misconduct allegations involving CBP agents, officers, and other employees are recorded and immediately referred to the DHS Office of Inspector General (OIG) for independent review and assessment. Cases are either retained by the DHS OIG for investigation or referred back to CBP for assessment/investigation. Upon completion of an investigation, the findings are referred to management for review and any appropriate action.

Question. There have been reports of inhumane conditions and treatment of children and families in short-term CBP detention.

Have any CBP personnel been disciplined in any way relating to their interactions with children or parents since the beginning of the Trump administration?

Answer. As noted above, DHS/CBP takes all allegations of employee misconduct seriously. However, the Privacy Act generally precludes CBP from releasing information on disciplinary or other corrective action taken against employees.

Question. Will the results of any investigation into these allegations be made public?

Answer. CBP does not release results of any individual investigations. In addition, the Privacy Act generally precludes CBP from releasing information on disciplinary or other corrective actions taken against employees.

EXCLUSION REQUESTS

Question. In mid-April, a New Jersey manufacturer applied for exclusions from the steel 232 tariffs because they were unable to find a U.S. supplier that could meet their need for imported steel. It is my understanding that Commerce and other agencies first reviewed their applications to ensure they were accurate and complete. After that review, their applications underwent public comment, during which no U.S. company objected to their exclusion requests. Then the applications went through another month of interagency review. The company finally learned on July 10th that Commerce denied their applications because the company did not provide sufficient information to verify the product description and tariff code. Commerce recommended my constituent work with CBP to identify the correct product classification for their imports and reapply. So now my constituent will have to go through this entire process again, and in the mean time they will continue paying the tariffs and may have to lay off workers or import the fully finished product, which is not subject to the steel tariffs.

Did CBP conduct a preliminary review of any exclusion requests prior to the initial public posting by Commerce?

Answer. CBP does not receive the section 232 exclusion requests prior to public posting by the Department of Commerce, and hence did not conduct a preliminary review.

Question. If so, why didn't CBP flag applications like these earlier so that our constituents could get Commerce the appropriate information before going through this time-consuming process?

Answer. CBP does not receive exclusion requests prior to public posting by Commerce.

Question. If my constituent now works with CBP to identify the correct product description and tariff code for their exclusion request, refiles their application, and as before, doesn't receive any objection from any domestic steel suppliers, will the administration grant their exclusion request?

Answer. If the constituent works with CBP and corrects its product description and refiles its request, a final determination will then be issued by Commerce.

PRODUCT CLASSIFICATION RULINGS

Question. How many requests for product classification rulings has CBP received related to the 232 exclusion process? On average, how long has it taken CBP to issue a ruling for these cases?

Answer. CBP has received approximately 115 requests for rulings related to the 232 exclusion process. On average, it has taken approximately 30 days to respond to a request.

GIFT PACKAGE SCREENING

Question. Commissioner McAleenan, as you noted in your testimony, approximately 90 percent of CBP's seizures of counterfeit goods in FY 2017 were shipped through express carriers or international mail. The Trade Facilitation and Trade Enforcement Act that Congress passed in 2016 contained report language that I authored with Chairman Hatch to raise the enforcement priority for fake products, specifically those shipped as "gifts" to evade Customs duties and detection.

Does a package marked as a "gift" that originates from a business address in a country like China, which is documented by CBP and other sources as being a major source of counterfeits, trigger any red flags for our agents?

How has CBP changed its screening of packages marked as "gifts" since the passage of the Trade Facilitation and Trade Enforcement Act?

Answer. CBP targeting practices take many pieces of information into consideration, including the description of the package and the originating address. CBP officers are trained to recognize the patterns illicit actors use to evade detection, and are continuously incorporating those trends into targeting algorithms that aid in identifying shipments that are potentially in violation of the law. However, CBP reserves the right to examine any goods that raise suspicion based on available information or the disposition of the package itself.

CASE REVIEW

Question. Commissioner McAleenan, one of my constituents wrote to you in October of last year asking you to reevaluate determinations that my constituent believes CBP made in violation of a court ruling. While I appreciate your effort in reviewing this case, it has been nearly 9 months since my constituent began this process with CBP and they have yet to receive a substantive response.

When do you expect to complete your review of this case?

Answer. This constituent provided a list of 465 entries for which it claimed duty refunds and interest in specified amounts. None of these entries was the subject of the court decision; therefore, whether refunds may be owed depends on whether the entries were properly protested. CBP's Regulations and Rulings directorate within the Office of Trade has coordinated extensively with CBP's Office of Field Operations on this matter, and it was determined that a response to the constituent would not be provided until a response could be provided as to all of the entries at once. CBP anticipates responding to the constituent as soon as this information is available.

Given the age of the entries, many documents have been purged from the Automated Commercial System (ACS), and reviewing many of the entries has required looking into ACS systems procedures in place for purging of records. For example, if the importer filed a protest, the protest was denied, and the importer did not file a timely summons at the Court of International Trade, the protest and entry records would have been purged. Similarly, if no protest was filed, after a certain period of time the entry records are purged. If protests were denied and no court summons was timely filed by the importer, or if no protest was timely filed by the importer with respect to the liquidation of a specific entry, that entry is finally liquidated with no further administrative remedy.

COURT OBLIGATIONS

Question. Do you believe that CBP, during case-specific Court of International Trade (CIT) or Court of Appeals for the Federal Circuit (CAFC) litigation, is obligated to suspend entries, pending the outcome of the litigation, especially if an importer and/or its customs broker has notified the ports to do so?

Answer. CBP follows all orders issued by the CIT and CAFC to suspend liquidation of entries. CBP has no legal obligation to suspend liquidation of entries pending the outcome of litigation as a general matter, absent a court order or instructions from the Department of Commerce in cases involving the administration of antidumping or countervailing duty orders. Importers may request extensions of liquidation under 19 U.S.C. 1504(b), but CBP is not legally obligated to grant such a request, absent a court order.

INSTRUCTIONS FROM THE COURT

Question. If a port improperly liquidated entries, do you agree that Customs is still obliged to review and refund collected duties as instructed by court orders?

Answer. Generally, although CBP may reliquidate an entry within 90 days from the date on which notice of the original liquidation is transmitted to the importer, see 19 U.S.C. § 1501, liquidated entries are otherwise final and conclusive upon all persons (including the United States and any officers) unless a protest is filed within 180 days from the date of liquidation, or a civil action contesting the denial of a protest is commenced at the Court of International Trade. *See* 19 U.S.C. § 1514. Any court orders that result from a civil action contesting the denial of a protest apply only to the liquidated entries covered by that protest and the summons challenging the denial of that protest. Therefore, if instructed by court order, CBP must reliquidate and refund collected duties for the specific liquidated entries that are identified in the court decision. *See* 19 CFR § 176.31.

Conversely, if a liquidated entry is not identified as the subject of a court decision, then CBP is neither obligated to review nor authorized to refund collected duties even if the principles of a court decision apply to the finally liquidated entry. For example, in the classification context, if a court decision changes the classification of merchandise in a manner that is adverse to the government, then the principles of that court decision are applied only to the specific unliquidated entries and protested entries, where the protest has not been denied in whole or in part and involves the same issue. *See* 19 CFR § 152.16. In this context, CBP is not obligated

to review or authorized to refund collected duties for liquidated entries that are not covered by undecided protests.

PREPARED STATEMENT OF KURT NAGLE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN ASSOCIATION OF PORT AUTHORITIES

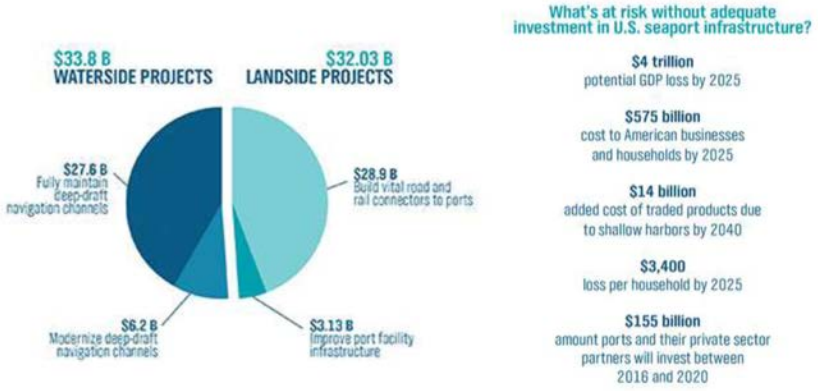
Thank you for inviting the American Association of Port Authorities to testify at this hearing on Trade and Commerce at U.S. Ports of Entry. As requested, my focus today will be on infrastructure needs of seaports and ports' ability to support U.S. trade. At a time when the United States government is focused on creating American jobs, propelling the economy and modernizing infrastructure, the role played by the Nation's freight transportation system is more critical than ever. The importance of our Nation's infrastructure is evident in the President's call for $1.5 trillion to rebuild our Nation's infrastructure and Congress's budget agreement last year to devote an additional $10 billion on infrastructure in both FY 2018 and FY 2019. That is a good beginning and seaport infrastructure should be a high priority for these additional funds.

AAPA is the unified and collective voice of the seaport industry in America and our U.S. member ports serve as a critical link in our Nation's international trade.

Seaports are critical for the prosperity of American communities, regional economies and our overall standard of living. Throughout our Nation's history, seaports have served as vital economic engines that connect American farmers, manufacturers and consumers to the world marketplace. They deliver critical goods and services to consumers, ship U.S. exports, create jobs, support our military, and promote local and national economic growth. Cargo activity at America's seaports accounts for over 23 million jobs, over a quarter of the U.S. economy, $1.1 trillion in total annual personal income and local consumption, and over $320 billion in Federal, State, and local tax revenues. Now more than ever, seaports deliver prosperity for all Americans.

With 95 percent of the world's population and 80 percent of global consumption located outside of the U.S., sustained investment in modern, well-maintained seaports and connecting infrastructure is vital to America's prosperity and global trade competitiveness. Building America's 21st-century seaport infrastructure requires considerable Federal investments. Both landside and waterside investments are critical to our Nation's competitiveness including our ability to export U.S. goods. Securing America's ports and borders and investing in the environment are also important to the health and safety of port communities and efficiency of U.S. seaports.

To be competitive in the 21st-century global economy, our Nation needs a national multimodal freight network that incorporates and leverages every mode of freight transportation, whether on the waterside or the landside of seaport facilities. AAPA has projected that the 10-year needs of the seaport industry, including the Great Lakes, is $66 billion over the next 10 years. That includes $33.8 billion for waterside projects and $32.03 billion in landside projects. The graphic below outlines the need and what is at risk without adequate investment in U.S seaport infrastructure.



The key Federal programs that support seaport infrastructure are the U.S. Army Corps of Engineers (Corps) Navigation Program and the Department of Transportation's (DOT) discretionary grant programs, especially the TIGER/BUILD program and the freight programs established under the FAST Act. In regard to the Corps, it is charged with modernizing and maintaining the Nation's Federal navigation system, including those connecting to U.S. ports. Seaports and their private-sector partners plan to spend $155 billion on infrastructure investments between 2016 and 2020, but seaports depend on the Corps to complete their projects on a timely basis. That has not always been the case.

As you can see from the chart above, to fully maintain the deep-draft navigation channels, AAPA calls for $27.6 billion over the next decade. This includes full use of the $9 billion in unused Harbor Maintenance Tax (HMT) revenues that are credited to the Harbor Maintenance Trust Fund as well as full use of future annual HMT collections. While Congress did provide some additional funds for the Corps in FY 2018, far more is needed. Additionally, the United States must establish a sustainable system for funding channel maintenance over the long term.

The best way to provide needed maintenance funds for ports is to provide guaranteed use of HMT revenues. There also is a need to fix other problems with the HMT. Earlier this year, AAPA adopted a long-term funding solution for port maintenance that represents the culmination of years of industry discussion to fix this broken system.

The port industry's plan devotes 100 percent of the tax paid by shippers to America's ports, while providing no additional tax burden on the industry or taxpayers. It assures a fair, equitable, and reliable way to ensure the health of this critical part of America's transportation infrastructure. We urge Congress to enact this agreement, either as part of the Water Resources Development Act (WRDA) or any infrastructure bill that Congress considers. Adoption of this plan would bring much needed assurance that deep-draft navigation maintenance needs would have a fair, balanced and sustainable system to address maintenance needs both now and in the future. As one of the committees who created the Harbor Maintenance Tax in 1986, we hope you have an interest in fixing the current system's shortcomings. I have attached a more detailed description of this plan to my testimony and hope this committee and its members will be supportive of guaranteeing full use of the HMT and adopt the AAPA solution.

Landside infrastructure is also important to ports. Investments in these connections can drive improvements in productivity, safety, and reduce the impact of freight transportation on local communities. The movement of goods through a port depends on the seamless integration of multiple modes of transportation. Ports must have efficient connections to national rail and highway networks. AAPA has identified $32.03 billion in landside needs over the next decade. Additionally, in May 2018, AAPA released a new report, "State of Freight III," on the multimodal needs of U.S. seaports, which concluded that there is $20 billion in projected needs solely for multimodal port and rail access needs over the next decade. Sixty-seven percent of AAPA member U.S. ports said that funding and financing options are the biggest obstacles in getting essential rail projects started to access their facilities.

AAPA was happy to see that Congress tripled the TIGER/BUILD program in FY 2018, bringing it to $1.5 billion, and we urge a similar level of funding this year, although both the House and Senate current bills are lower, despite additional funding being made available for infrastructure this year. TIGER/BUILD is a vital program for port infrastructure both inside the gate and to support the connecting road and rail infrastructure. Since its inception in 2009, maritime projects have received more than $578 million in Federal TIGER funding, while leveraging more than $782 million in additional non-Federal funding, with $61.8 million in port-related grants in 2017. More is needed. AAPA has sought a portion of the program be set aside for ports. We commend the House Appropriations Committee for adopting AAPA's recommendation that part of this program be devoted solely to ports. Its FY 2019 bill mandated that one-third of the grants be allocated to ports. We hope the Senate will follow suit and adopt the House provision in the final bill.

The FAST Act freight programs are fairly new but have the potential to help support port infrastructure improvements as well, and several ports have received funding. The INFRA grants, established under the FAST Act, are important but have a cap for multimodal projects broader than traditional highway projects, which results in limitations for port projects. AAPA strongly supports raising the multimodal caps on FAST Act programs, so that multimodal port projects have resources to build connecting projects. DOT financing programs are also a tool for ports to fi-

nance infrastructure. Both the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF) Program are working on being more port friendly, and we encourage further improvements to make these more useful programs to ports.

While modern and well-maintained maritime infrastructure is critical to our ability to trade internationally, AAPA is concerned about the impact of U.S. tariffs and retaliatory response from our trading partners and the uncertainty they bring. To date, the announced Sections 232 and 301 tariffs and the responses from trading partners impact almost nine percent of total U.S. trade value and about 14 percent of containerized trade.

As noted in a recent AAPA letter to the United States Trade Representative, ports are concerned about potential trade sanctions that could result in significant losses of good paying U.S. trade-related jobs, including those in the seaport industry. Seaports are at the front lines of the current uncertainties surrounding U.S. trade policy. It is important to recognize that international trade, both exports and imports, is good for American workers and our national economy. Recently, AAPA joined the U.S. Global Value Chain Coalition (USGVC). According to the USGVC, one in five American jobs are linked to exports and imports of goods and services, and millions of those jobs are tied to the global value chain. AAPA believes U.S. trade policy must take a comprehensive view of the millions of U.S. jobs related to trade and ensure that seaport and other trade-related employment are not negatively impacted by trade actions. In addition, the $155 million in planned investment by ports and their private-sector partners is at risk, as an uncertain trade environment creates concerns about making these sizable port-related investments.

Customs and Border Protection (CBP) programs are also important to international trade handled through seaports and have an impact on port efficiency to move cargo and infrastructure needs of ports. Safe and secure seaports are fundamental to protecting our borders and moving goods. Each year, roughly 1.2 billion metric tons of foreign trade cargo, including more than 32 million 20-foot equivalent maritime containers, arrive at U.S. seaports. Additionally, over 11.5 international passengers begin their cruises via U.S. seaports. CBP is on the front line when cargo and passengers enter our country. CBP officers meet the ships at all ports of entry to check the manifests, screen incoming cargo, operate non-intrusive inspection equipment including radiation portal monitors, provide specialists to examine imported fruits, vegetables, and flowers for potentially harmful diseases, and other missions at our busy gateways. CBP is also responsible for screening all foreign visitors and returning American citizens and passenger ships that enter U.S. seaports.

Two key programs for seaports are CBP inspections programs and design standards for Federal inspection stations at seaports. In 2002, Congress gave CBP authority to establish the Reimbursable Services Program to address the staffing shortages and record increases in passenger and cargo volumes. It allowed organizations, such as seaports, to enter into agreements to allow CBP to provide additional inspection services upon the request of stakeholders provided they pay for the additional CBP personnel costs. While a number of seaports have entered into these agreements to address immediate, short-term CBP resource shortages, AAPA believes that hiring additional officers is critically needed. While CBP has made some improvements in hiring, there still is a significant shortage of officers, including a shortage of about 500 officers in the maritime environment.

Additionally, the Reimbursable Service Agreement is quite costly and sets up an uneven playing field for ports. The ability of ports to charge shippers security fees to help recover costs is limited. The industry already pays user fees to support CBP inspection activity in the form of the Merchandise Processing Fee. Furthermore, charging an additional cost exacerbates the competitive disadvantage some AAPA members face compared to ports in Canada and Mexico. The result is funding that could be going to infrastructure enhancements at a port is being diverted to pay for additional CBP services. Ports often are asked how the Federal Government can improve port performance. Fulfilling what has traditionally been a Federal obligation to ensure sufficient CBP inspection activity is a key place to start. It would help ports as we seek to expand or offer additional services to address peak cargo flows such as extended terminal hours or weekend gates. While the reimbursable services program is a good tool in the short term, it is not a long-term cost our ports can afford. The need for a permanent solution remains.

CBP inspection stations at cruise ports are also a concern. For years, AAPA has voiced concern that CBP design standards require overbuilding that diverts funds from other infrastructure programs. We urge CBP to provide more oversight into

the types and timing of requests for changes to a port terminal upgrade, and try to be more cost-minded.

We have a chance as a Nation to make significant investments in infrastructure by both fixing systemic problems like the harbor maintenance tax and understaffing at CBP, as well as devoting more funding to Federal programs that support our seaport industry.

Finally, let me end with a big "thank you" from the port industry on the tax bill and the final language that allowed private activity bonds to remain tax-free. These are important tools in funding port infrastructure projects. Similarly, we urge the committee to identify a fix to allow advance refunding of municipal bonds to become tax free again, as some ports use municipal bonds.

Attachment

AMERICAN ASSOCIATION OF PORT AUTHORITIES (AAPA)
1010 Duke Street
Alexandria, VA 22314–3589
703–684–5700
aapa-ports.org

A Long-Term Funding Solution for Port Maintenance Good for Ports, Good for the Nation

FOR U.S. PORTS, MAINTENANCE IS THE HIGHEST PRIORITY

Responsible for over a quarter of United States GDP and more than 23 million American jobs, a well-maintained port system is vital to the manufacturers, exporters, and farmers who count on U.S. ports to move their products to market. Eliminating the diversion of HMT funds away from their intended purpose is important to ensure a steady flow of U.S. goods to international markets.

A PORT INDUSTRY SOLUTION TO FIX A BROKEN SYSTEM

After years of underutilizing the Harbor Maintenance Tax (HMT), guaranteeing funds collected are dedicated to the U.S. Army Corps of Engineers (Corps) will result in the long-term sustainability of our Nation's harbor maintenance needs.

The port industry has agreed on a fair and equitable framework that guarantees full use of the HMT by the Corps, ensures year-to-year funding sustainability, and provides the most efficient use of collected harbor maintenance funds.

ENSURING TAX FAIRNESS

The port industry has agreed on a plan that devotes 100 percent of the tax paid by shippers to our ports, while providing no additional tax burden on the industry or taxpayers. It assures a fair, equitable, and reliable way to ensure the health of this critical part of America's transportation infrastructure.

Under this plan, HMT yearly revenues would be guaranteed to the Corps. The plan includes several funding phases to prioritize maintenance, while providing more equity for all ports.

AAPA'S HARBOR MAINTENANCE FRAMEWORK

- A permanent solution that ensures 100 percent of taxes collected from shippers goes to maintain our Nation's seaport infrastructure and international competitiveness.
- A long-term solution that fixes an unfair system and addresses the health and well-being of our seaport water highways that are critical for delivering goods to Americans.
- Applies all HMT collections to restore and maintain U.S. water highways that will complement the $155 billion in port-related capital investments planned to assure safe and efficient freight movement.
- A fair and equitable approach that enables water transportation cost savings to be fully realized by American consumers and U.S. exporters competing in the global marketplace.

- Six U.S. port regions receive a minimum of 10 percent of HMT collections for maintenance of high, moderate, and emerging harbors—protecting historic shares.
- Emerging harbors nationwide would receive a minimum of 10 percent of HMT collections.*

Support the AAPA plan to restore and fully maintain the Nation's water highways—with no new taxes!

PREPARED STATEMENT OF HON. PETE SAENZ, MAYOR, CITY OF LAREDO, AND CHAIRMAN, TEXAS BORDER COALITION

Mr. Chairman and members, I am Pete Saenz, Mayor of Laredo, TX and chairman of the Texas Border Coalition (TBC). I am speaking on behalf of more than 2 million Texans in 17 border counties of the 1,250-mile Texas-Mexico border. TBC is comprised of Mayors and city council members, county judges and other county executives, and business leaders. Its mission is to provide vision and leadership to develop, encourage, promote, and protect the business, tourism, industry, and community interests of the Texas-Mexico border region.

Thank you for the opportunity to speak before you today regarding border ports of entry, the important role they play in our Nation's economy, and the improvements needed to increase efficiencies in terms of commerce and border security.

Automobiles, cell phones, computers, electronics, and refrigerators are part of our everyday life. These are just some of the consumer goods that come through Laredo and all of our Texas ports of entry. Americans depend on being able to purchase these goods and consumables. Americans depend on those retail, logistics, government, and international trade-related jobs that all connect to ports of entry. I ask that you keep this in mind as we talk about all the numbers and data today.

Without a strong and growing economy on the border, we cannot have a growing national economy or achieve our security goals. Trade directly generates 30 percent of the U.S. economy, including 41 million American jobs—3.1 million of them in Texas.[1] Interdependence is the way business gets done in the 21st-century economy, on the border and across the globe. Facilitating legitimate trade of manufactured goods, agriculture products, and other goods links the productivity and competitiveness of communities on both sides of the border and beyond. This creates jobs and prosperity that improve the lives of our people.

As the U.S. economy enters the tenth year of expansion, the most important threat to sustained economic growth is the widening U.S. trade war with Mexico, Canada, Europe, China, and India. The U.S. has imposed tariffs on imported steel and aluminum, solar panels, washing machines, and newsprint. We have threatened new levies on automobiles, chemicals, equipment, and other products. Our trading partners have reciprocated with tariffs on U.S. exports of bourbon, blue jeans, steel, pork, apples, and other items. Continued economic and job growth depends on Con-

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* Emerging harbors are defined as those harbors that handle less than 1 million tons of cargo annually.

[1] "The Impact of Trade on U.S. and State-Level Employment: 2016 Update," Business Roundtable, 2017.

gress and the White House acting to end the uncertainty about tariffs and improving the North American Free Trade Agreement and the World Trade Organization.

Living on the border, we have witnessed firsthand the local positive economic impact of the North American Free Trade Agreement. Yet, the impact of NAFTA is far-reaching in that it fuels vast trade economic opportunities for U.S. workers, farmers, consumers, and businesses. The protection of NAFTA is imperative. We agree that modernization of the agreement is needed to address changes in economic climates and technology, but propose that it is done in a manner that does no harm.

Since the agreement's inception, U.S. trade with Canada and Mexico has grown to $1.3 trillion, impacting all 50 states. Nationwide, approximately 14 million U.S. jobs depend on trade with Canada and Mexico and 43 of 50 U.S. States list Canada or Mexico as their first or second largest export market.[2]

Texas's 20 ports of entry account for $650 billion in international trade and the creation of $1.6 million Texas jobs. As reported by the Texas State Comptroller's Office, trade through the port of Laredo alone contributed to the creation of 363,000 jobs and the infusion of $52 billion to the Texas gross domestic product.

The port of Laredo is recognized as the largest U.S. inland port and the second "overall port" after Long Beach. The number of southbound truck commercial crossings in FY 2017 continued on an upward trend, increasing by 4.3 percent, totaling over 2.1 million.[3] Also, shipments through rail and air remained strong: reported were 239,138 northbound rail car crossings and air cargo weight landed of over 539 million pounds in 2017.[4]

Moreover, the Laredo Customs District, which encompasses the Texas border ports inclusive of Del Rio, Eagle Pass, Laredo, McAllen, Pharr, and Brownsville, is recognized as the third largest U.S. Customs District, with a reported trade value of over $303 billion in 2017. Notably, trade through Laredo's Customs District accounted for over 50 percent of the $557.5 billion in all U.S.-Mexico trade in 2017.[5] As such, the impact of trade by air, land, and rail through the Laredo District on the U.S. economy is far-reaching and linked to industrial markets in the Midwest, Northeast, central states, and even the western seaboard.

An analysis was conducted for the Texas Department of Transportation in 2017 by the American Transportation Research Institute which tracked the movement of trucks from Laredo's port of entry as they continued their journey northward and back again. The study clearly showed that the trucks that crossed through Laredo impact commerce in communities throughout the contiguous United States (charts attached).

On the southwest border, we need to assure that our economic climate provides opportunity to the people in the region, State, and Nation. The three key elements of ports of entry operations revolve around staffing, infrastructure, and technology. To achieve our economic security, we need well-built, equipped, and staffed ports of entry that can facilitate legitimate trade and travel and interdict lawbreakers.

A series of studies in the last decade estimate that border delays are potentially costing the American economy billions of dollars[6]—costs that are ultimately passed on to working families and businesses.

The combination of higher volumes of goods crossing our ports of entry and enhanced post-September 11, 2001 security procedures have led to longer wait times. Long wait times lead to delays and travel time uncertainty, which can increase supply chain and transportation costs.[7] A report sponsored by the Department of Commerce detailed the economic impacts of border delays, finding, "border delays result in losses to output, wages, jobs, and tax revenue due to decreases in spending by

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[2] U.S. Chamber of Commerce, "The Facts on NAFTA: Assessing Two Decades of Gains in Trade, Growth, and Jobs."

[3] WorldCity, Trade Numbers, 2017.

[4] Laredo Economic Development Corporation, 2005–2018 data.

[5] U.S. Census. Economic Indicator Database, "Foreign Trade: 2017 U.S. Trade in Goods With Mexico."

[6] U.S. Government Accountability Office. "U.S.-Mexico Border: CBP Action Needed to Improve Wait Time Data and Measure Outcomes of Trade Facilitation Efforts." 2013; *see also,* U.S. Customs and Border Protection. "FY 2014 Report on Business Transformation Initiatives." 2014; *see also,* report commissioned by Department of Commerce International Trade Administration. Conducted by Accenture in association with HDR Decision Economics and Crossborder Group Inc., 2008.

[7] U.S. Customs and Border Protection. "FY 2015 Report on Business Transformation Initiatives." May 13, 2015.

companies, suppliers, and consumers." The study detailed the causes, such as increased transportation costs for businesses and higher inventory costs for businesses to buffer against wait time uncertainty.[8]

These delays create substantial costs to the American economy. The Joint Economic Committee of the U.S. Congress finds that border delays cost the U.S. economy as much as $5.8 billion each year.[9] Customs and Border Protection's Office of Field Operations, which staffs the ports of entry, needs to hire 2,516 additional CBP Officers and 721 Agriculture Specialists to achieve the staffing target detailed by its own fiscal 2018 Workload Staff Model and Agriculture Resource Allocation Model. As of February, the Office of Field Operations had 23,002 CBP Officers onboard at the ports of entry—1,145 short of its fiscal 2018 target of 24,147. While we are behind on hiring and falling further backwards, the President's fiscal 2019 budget provides no new funding to address the current CBP Officer staffing shortage.

As reported by the Government Accountability Office, in fiscal year 2015, CBP processed more than $2.4 trillion in imports in over 300 ports of entry and collected an estimated $46 billion in revenue, thus making CBP the second highest revenue generating government agency in the United States.[10] Yet, we share in the concern expressed by the National Treasury Employees Union that these revenues are utilized in funding other priority Federal programs, creating a lack of resources devoted to CBP's trade functions and ultimately an economic loss for American companies.[11]

One initiative that has proven to be effective in reducing cross-border wait time is the operation of dual U.S./Mexico Federal inspection stations along the U.S.-Mexico border. In Laredo, dual inspections stations currently exist at our airport, international commercial bridge crossings, and at the international railway crossing.

Similarly, we suggest that more economic activity and trade efficiency would result from increased usage of certified trusted carrier programs (C–TPAT), which could also include pre-cleared, certified-mechanical truck/trailer inspections, and utilizing dedicated fast lanes. Furthermore, wait times could also be reduced at Border Patrol highway check points by increasing the number of inspection lanes and staff, installing state-of-the-art technology, and sharing of interagency data that Customs sends "up the road" to Border Patrol to reduce duplication of inspection.

In addition to personnel, technology presents a vast opportunity to improve productivity by moving people and goods across the border more efficiently. I understand that just this past month, CBP replaced the operating system of the computers running the x-ray machines used to inspect trucks at a south Texas land port—an upgrade from MS-DOS to Windows. Congress needs to invest in land port technology that will at least bring us into this century.

Road and highway improvements leading to and from border points of entry are equally important to the free flow of goods and services. I would also respectfully suggest that key components of continued trade success hinge on financing infrastructure projects. I ask the Senate Finance Committee to consider and support innovative financing mechanisms that propose public-private partnerships that offer opportunities to invest in the infrastructure needed using private funding. The infrastructure would then become an asset of the government. While the Donation Asset Program 559, known as DAP, has successfully offered and acquired donated assets at our border crossings, the $50-million limit set for new Federal Government-owned land ports of entry is a barrier that does not allow for that return on investment needed when considering higher-cost projects.

The city of Laredo actively continues to seek funding to implement necessary infrastructure to meet the current and future demands of commerce. One such project in Laredo is the I–35/I–69W corridor leading to and from the World Trade Bridge port of entry. The total project cost is estimated to be $130 million. Of this amount, the city of Laredo seeks $78 million be federally funded. The city is working further

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[8] Report commissioned by Department of Commerce International Trade Administration. Conducted by Accenture in association with HDR Decision Economics and Crossborder Group Inc., 2008.

[9] "Economic Impact of Understaffing U.S. Ports of Entry," Joint Economic Committee of the U.S. Congress, 2017.

[10] U.S. Government Accountability Office, "Customs and Border Protection: Improved Planning Needed to Strengthen Trade Enforcement," GAO–17–618, June 12, 2017.

[11] The National Treasury Employees Union. "Oversight of the U.S. Customs and Border Protection Agency," testimony presented to the Senate Finance Committee, May 11, 2016.

to expand operations at the World Trade Bridge and to construct a fifth bridge. These projects are critical to maintaining and expanding Laredo's role as a predominant international border crossing, but also in fortifying our local economy as well as that of the State of Texas and our Nation (*see* attached graphic).

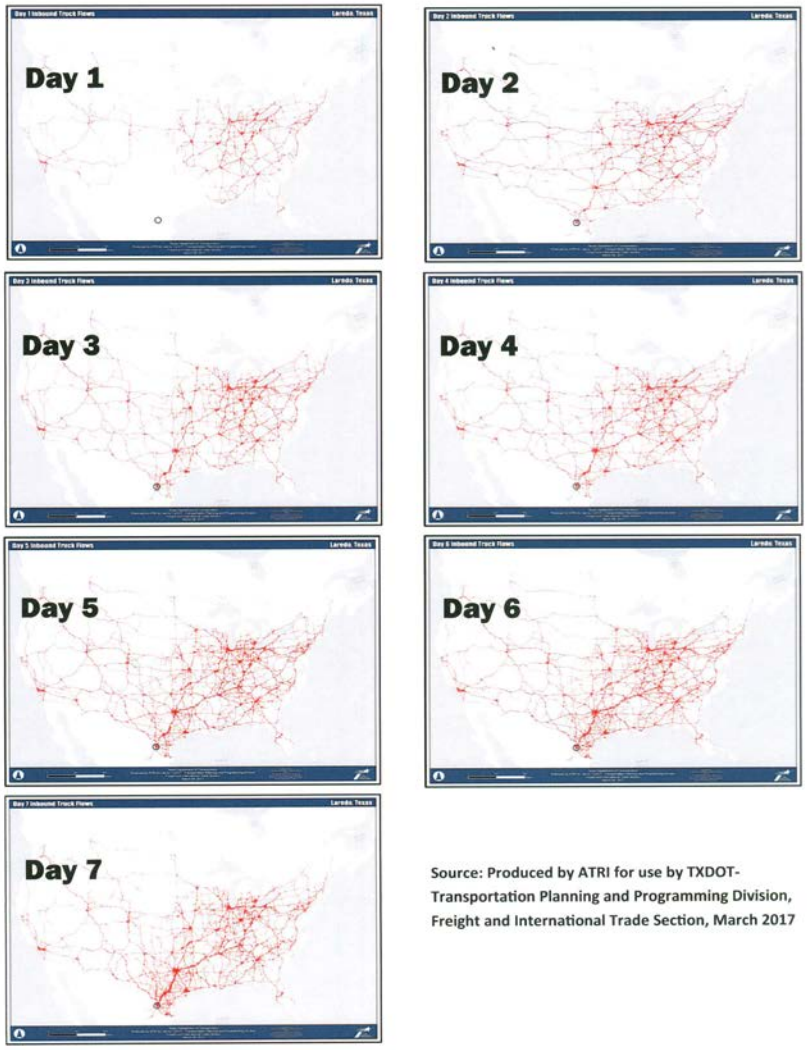
In regard to border security, the Texas Border Coalition proposes that a one-size-fits-all barrier approach to border security is not the solution. CBP data suggests between 80 and 85 percent of smuggled cocaine, heroin, methamphetamine, and fentanyl enters the U.S. through the ports of entry. To combat the drug supply, increased personnel, technology, and infrastructure are needed at the ports of entry. In addition to utilizing state-of-the-art technology, it is vital to work with the border terrain, which would include a virtual barrier instead of a physical barrier. As proposed in the USA Act, TBC supports that a mile-by-mile test be conducted to provide whether a wall or other tactic or tactics would be the most effective security solution.

Additionally, TBC is concerned about proposals to implement mandatory biometric exit systems at the international bridges and other land ports of entry. Currently, U.S. Customs and Border Protection is severely understaffed to handle incoming traffic and has been unable to hire sufficient officers to replace retirees, much less meet current workload requirements. At the international bridges in Texas, the infrastructure was not designed for departure inspections. Port infrastructure is not capable of tracking an outgoing flow of vehicle and pedestrian traffic with biometric systems without causing backups on local and State roadways. Also, none of which has been proposed addresses the need for land acquisition at the many ports, which have little space to expand. We propose that a mandatory biometric exit system not be pursued until Congress is able to provide the necessary personnel, infrastructure, and technology to handle CBP's current workload.

With regard to improving the lives of our people, it is important to add that we support the work of ICE, which provides a much-needed and valuable service in helping ensure homeland security and public safety. It stands to reason that border communities are the most vulnerable by the nature of our geography. Yet, zero tolerance must be redefined to ensure that the humane treatment of persons and families be protected. In a letter submitted to congressional leaders by the Libre Initiative and signed onto by the Texas Border Coalition together with other faith, business, civic, and immigration advocacy groups, Congress is urged to act immediately and pass a permanent legislative solution protecting against the separation of families at the border and the indefinite detention of families. To do otherwise is contrary to the decency of the American people and the principles on which our country is founded.

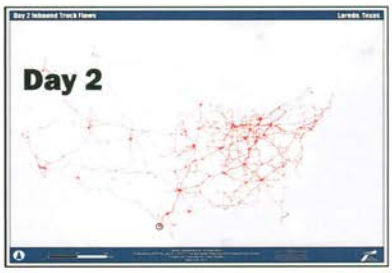
On behalf of TBC, thank you for the opportunity to contribute to these important matters.

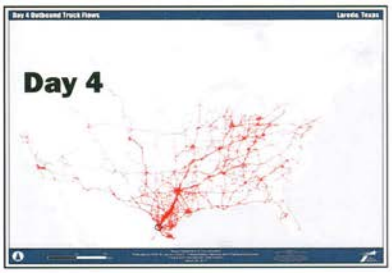
NATIONAL TRUCK FREIGHT FLOWS TO LAREDO

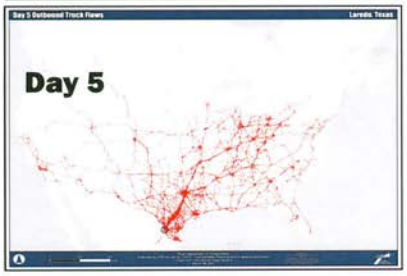


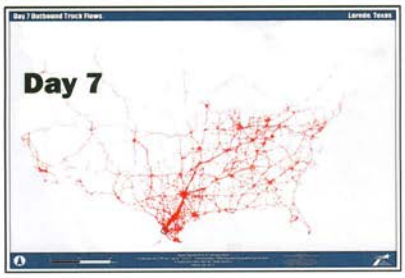
Source: Produced by ATRI for use by TXDOT-Transportation Planning and Programming Division, Freight and International Trade Section, March 2017

NATIONAL OUTBOUND TRUCK FLOWS FROM LAREDO, TX

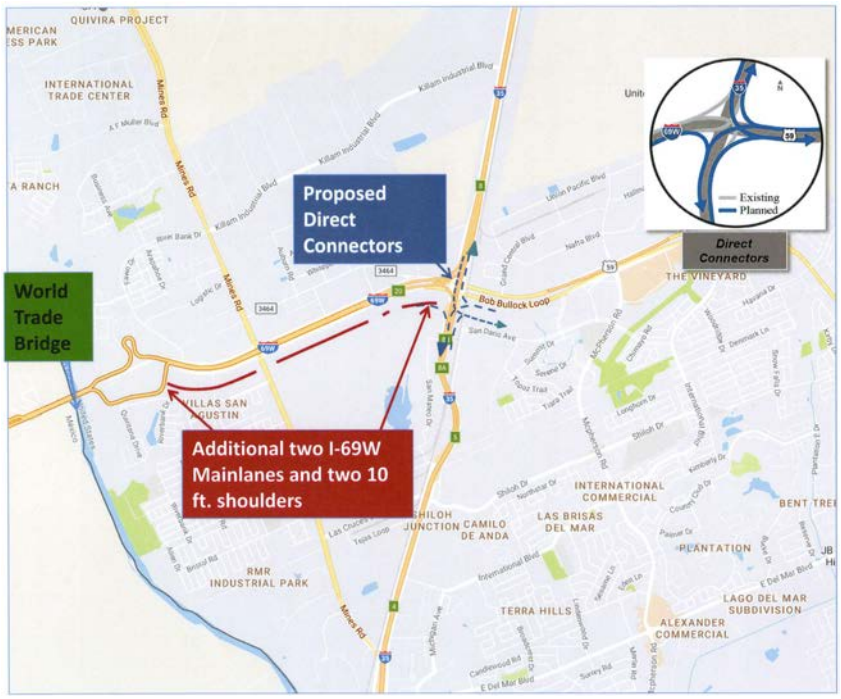








Source: Produced by ATRI for use by TXDOT-Transportation Planning and Programming Division, Freight and International Trade Section, March 2017


Proposed Direct Connectors
World Trade Bridge
Additional two I-69W Mainlanes and two 10 ft. shoulders
Direct Connectors
Existing
Planned
QUIVIRA PROJECT
INTERNATIONAL TRADE CENTER
Mines Rd
Killam Industrial Blvd
Bob Bullock Loop
THE VINEYARD
VILLAS SAN AGUSTIN
INTERNATIONAL COMMERCIAL
LAS BRISAS DEL MAR
CAMILO DE ANDA
PLANTATION
RMR INDUSTRIAL PARK
TERRA HILLS
LAGO DEL MAR SUBDIVISION
ALEXANDER COMMERCIAL

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Statement of Michael G. Bindner

Chairman Cornyn and Ranking Member Casey, thank you for the opportunity to submit these comments for the record to the Committee on Finance Subcommittee on International Trade, Customs, and Global Competitiveness. This combines elements from our comments from March to the full committee and to the House Committee on Ways and Means from last year, with substantial new material regarding current Administration trade policy.

We suspect that port city witnesses will testify that most commerce passes through with minimal processing. Manufacturing for the American market may occur on the other side of the border or near the Chinese point of departure, but when goods arrive here they either keep driving to the point of sale or are loaded onto intramural transportation to it. As long as fuel prices remain relatively low, this will continue. The only danger is President Trump's proposed deregulation of the Dodd-Frank reforms of the New York Mercantile Exchange Oil Futures market, which will cause oil prices to soar. Higher fuel prices and a trade war would bring manufacturing closer to consumers, but will do nothing for border cities. Creating more manufacturing opportunities at border cities going out requires tax reform.

Speaker Ryan's proposed Destination-Based Cash Flow Tax is a compromise between those who hate the idea of a value-added tax and those who seek a better deal for workers in trade. It is not a very good idea because it does not meet World Trade Organization standards, though a VAT would. It ultimately failed, although much of its failure likely is due to opposition by Chairman Hatch. In the end, Congress simply lowered rates, which did little for exports or workers.

It would be simpler to adopt a VAT on the international level and it would allow an expansion of family support through an expanded child tax credit. Many in the majority party oppose a VAT for just that reason, yet call themselves pro-life, which is true hypocrisy. Indeed, a VAT with enhanced family support is the best solution anyone has found to grow the economy and increase jobs. Even then, a DBCFT is preferable to the current corporate income tax system, so what is said below about VAT is at least partially applicable to the DCBFT (with any increased subsidies for children added to the personal income tax).

The main trade impact in our plan is the value-added tax (VAT). This is because (exported) products would shed the tax, *i.e.,* the tax would be zero rated, at export. Whatever VAT Congress sets is an export subsidy. Seen another way, to not put as much taxation into VAT as possible is to enact an unconstitutional export tax.

Value-added taxes act as instant economic growth, as they are spur to domestic industry and its workers, who will have more money to spend. The Net Business Receipts Tax as we propose it includes a child tax credit to be paid with income of between $500 and $1,000 per month. Such money will undoubtedly be spent by the families who receive it on everything from food to housing to consumer electronics.

Some oppose VATs because they see it as a money machine, however this depends on whether they are visible or not. A receipt visible VAT is as susceptible to public pressure to reduce spending as the FairTax is designed to be, however unlike the FairTax, it is harder to game. Avoiding lawful taxes by gaming the system should

not be considered a conservative principle, unless conservatism is in defense of entrenched corporate interests who have the money to game the tax code.

Our 10%–13% VAT rate estimates are designed to fully fund non-entitlement domestic spending not otherwise offset with dedicated revenues. This makes the burden of funding government very explicit to all taxpayers. Nothing else will reduce the demand for such spending, save perceived demands from bondholders to do so—a demand that does not seem evident given their continued purchase of U.S. Treasury Notes.

Value-added taxes can be seen as regressive because wealthier people consume less; however, when used in concert with a high-income personal income tax and with some form of tax benefit to families, as we suggest as part of the NBRT, this is not the case.

The shift from an income tax based system to a primarily consumption based system will dramatically decrease participation in the personal income tax system to only the top 20% of households in terms of income. Currently, only roughly half of households pay income taxes, which is by design, as the decision has been made to favor tax policy to redistribute income over the use of direct subsidies, which have the stink of welfare. This is entirely appropriate as a way to make work pay for families, as living wage requirements without such a tax subsidy could not be sustained by small employers.

Shifting the balance to more exports will require more labor, considering the fact that economists call this a full employment economy. Any boost in either manufacturing or technology will require more immigration. Some business owners want employees to stay in the shadows and be abused, others want legal employees (though non-union—repealing right to work laws would end illegal immigration because no one would hire an undocumented worker with union representation), and still others in the conservative camp simply hate the illegality or the ethnicity of the immigrants (speaking of the White House).

How would these developments impact border cities? The trend will be to shift international manufacturing to the border, especially if imported components are used.

Increased manufacturing should mean stronger unions and real enforcement of union rights to organize. Attacking unions for the past 30 years has taken its toll on the American worker in both immigration and trade. That has been facilitated by decreasing the top marginal income tax rates so that when savings are made to labor costs, the CEOs and stockholders actually benefit. When tax rates are high, the government gets the cash so wages are not kept low nor unions busted. It is a bit late in the day for the Majority to show real concern for the American worker rather than the American capitalist or consumer.

Reversing the plight of the American worker will involve more than trade, but I doubt that the Majority has the will to break from the last 30 years of tax policy to make worker wages safe again from their bosses. Sorry for being such a scold, but the times require it.

The best protection for American workers and American consumer are higher marginal tax rates for the wealthy. This will also end the possibility of a future crisis where the U.S. Treasury cannot continue to roll over its debt into new borrowing. Japan sells its debt to its rich and under-taxes them. They have a huge Debt to GDP ratio; however they are a smaller nation.

We cannot expect the same treatment from our world-wide network of creditors, an issue which is also very important for trade. Currently, we trade the security of our debt for consumer products. Theoretically, some of these funds should make workers who lose their jobs whole—so far it has not. This is another way that higher tax rates and collection (and we are nowhere near the top of the semi-fictitious Laffer Curve) hurt the American workforce. Raising taxes solves both problems, even though it is the last thing I would expect of the Majority.

We make these comments because majorities change—either by deciding to do the right thing or losing to those who will, so we will keep providing comments, at least until invited to testify.

Our proposed NBRT/Subtraction VAT could be made either border adjustable, like the VAT, or be included in the price. This tax is designed to benefit the families of workers, either through government services or services provided by employers in lieu of tax. As such, it is really part of compensation. While we could run all compensation through the public sector and make it all border adjustable, that would

be a mockery of the concept. The tax is designed to pay for needed services. Not including the tax at the border means that services provided to employees, such as a much-needed expanded child tax credit—would be forgone. To this we respond, absolutely not—Heaven forbid—over our dead bodies. Just no.

The NBRT could have a huge impact on trade policy, probably much more than trade treaties, if one of the deductions from the tax is purchase of employer voting stock (in equal dollar amounts for each worker). Over a fairly short period of time, much of American industry, if not employee-owned outright (and there are other policies to accelerate this, like ESOP conversion) will give workers enough of a share to greatly impact wages, management hiring and compensation and dealing with overseas subsidiaries and the supply chain—as well as impacting certain legal provisions that limit the fiduciary impact of management decision to improving short-term profitability (at least that is the excuse managers give for not privileging job retention).

Employee-owners will find it in their own interest to give their overseas subsidiaries and their supply chain's employees the same deal that they get as far as employee-ownership plus an equivalent standard of living. The same pay is not necessary, currency markets will adjust once worker standards of living rise.

Over time, this will change the economies of the nation's we trade with, as working in employee owned companies will become the market preference and force other firms to adopt similar policies (in much the same way that, even without a tax benefit for purchasing stock, employee owned companies that become more democratic or even more socialistic, will force all other employers to adopt similar measures to compete for the best workers and professionals.)

In the long run, trade will no longer be an issue. Internal company dynamics will replace the need for trade agreements as capitalists lose the ability to pit the interest of one nation's workers against the others. This approach is also the most effective way to deal with the advance of robotics. If the workers own the robots, wages are swapped for profits with the profits going where they will enhance consumption without such devices as a guaranteed income.

Thank you for the opportunity to address the committee. We are, of course, available for direct testimony or to answer questions by members and staff.

NATIONAL TREASURY EMPLOYEES UNION (NTEU)

Statement of Anthony M. Reardon, National President

Chairman Cornyn, Ranking Member Casey, distinguished members of the Subcommittee, thank you for the opportunity to provide this testimony on "Trade and Commerce at U.S. Ports of Entry." As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 25,000 Customs and Border Protection (CBP) Officers, Agriculture Specialists (CBPAS) and trade compliance and enforcement personnel stationed at 328 land, sea and air ports of entry across the United States (U.S.) and 16 Preclearance stations currently in Ireland, the Caribbean, Canada and United Arab Emirates airports.

CBP's Office of Field Operations (OFO) is the largest component of CBP responsible for border security—including anti-terrorism, immigration, anti-smuggling, trade compliance, and agriculture protection—while simultaneously facilitating lawful trade and travel at U.S. ports of entry that are critical to our Nation's economy.

In addition to CBP's trade and travel security, processing and facilitation mission, CBP OFO employees at the ports of entry are the second largest source of revenue collection for the U.S. government. In 2016, CBP processed more than $2.2 trillion in imports and collected more than $44 billion in duties, taxes, and other fees. Customs and Border Protection Entry Specialists, Import Specialists, Paralegal Specialists who determine fines, penalties and forfeitures, Customs Auditors and Attorneys and other trade compliance personnel are the frontline in the defense against illegal imports and contraband. These employees enforce over 400 U.S. trade and tariff laws and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties, as well as stemming the flow of illegal imports, such as pirated intellectual property and counterfeit goods, and contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money. CBP is also a revenue collection agency. According to

CBP's most recent data, CBP OFO employees processed more than $2.4 trillion in trade goods and collected more than $46 billion in revenue.

Along with facilitating legitimate trade and enforcing trade and security laws, CBP trade personnel are responsible for stopping illegal transshipments; goods with falsified country of origin; goods that are misclassified; and collecting antidumping and countervailing duties.

Today, the greatest challenge hindering trade and commerce at U.S. port of entry is that CBP OFO is chronically understaffed and the economic cost of the CBP OFO staffing shortage is staggering. According to the Joint Economic Committee (JEC), every day 1.1 million people and $5.9 billion in goods legally enter and exit through the ports of entry. The volume of commerce crossing our borders has more than tripled in the past 25 years. Long wait times lead to delays and travel time uncertainty, which can increase supply chain and transportation costs. According to the Department of Commerce, border delays result in losses to output, wages, jobs and tax revenue due to decreases in spending by companies, suppliers and consumers. **JEC research finds border delays cost the U.S. economy between $90 million and $5.8 billion each year.**

CBP OFO has a current need to hire 2,516 additional CBP Officers and 721 Agriculture Specialists to achieve the staffing target as stipulated in CBP's attached FY 2018 Workload Staff Model (WSM) and Agriculture Resource Allocation Model (AgRAM). According to CBP's Congressional Affairs Office, as of May 4, 2018, CBP OFO has 23,147 CBP Officers onboard at the ports of entry—1,328 short of the authorized staffing level of 24,475.

Understaffed ports lead to long delays in travel and cargo lanes and also create significant hardship and safety issues for frontline employees. Involuntary overtime and involuntary work assignments far from home disrupt CBP Officers' family life and destroy morale.

Trade and travel volume continue to increase every year, but CBP OFO staffing is not keeping pace with this increase. New and expanded federal inspection facilities are being built at the air, sea and land ports, yet CBP OFO staffing is not expanding.

The state of Texas has 29 ports of entry including some of the nation's largest airports, seaports and land ports in the country, as well as two CBP trade operations Centers of Excellence and Expertise (CEE)—the Machinery CEE in Laredo and the Petroleum, Natural Gas and Minerals CEE in Houston. NTEU represents approximately 4,900 frontline CBP employees in Texas.

All Texas ports are experiencing CBP staffing shortages with Laredo leading the pack. According to CBP, as of April Laredo land port has a staffing shortage of over 90 CBP Officers. At Eagle Pass port of entry, the shortage is around 35 and at Del Rio about 15.

Pennsylvania also have major air and sea ports of entry in Philadelphia. According to NTEU members there, the Philadelphia International Airport is short approximately 8 to 10 CBP Officer positions.

We commend Senator Cornyn for sponsoring legislation that includes a provision to authorize the funding and hiring of additional CBP employees at the ports of entry. NTEU strongly supports legislation recently introduced by Finance Committee member Senator McCaskill (D–MO), **S. 2314, the Border and Port Security Act. S. 2314 is stand-alone legislation that would authorize the hiring of 500 additional CBP Officers and additional OFO trade operations staff annually until the staffing gaps in CBP's various Workload Staffing Models are met.**

CBP employees also perform critically important agriculture inspections to prevent the entry of animal and plant pests or diseases at ports of entry. For years, NTEU has championed the CBP Agriculture Specialists' Agriculture Quality Inspection (AQI) mission within the agency and has fought for increased staffing to fulfill that mission. The U.S. agriculture sector is a crucial component of the American economy generating over $1 trillion in annual economic activity. According to the U.S. Department of Agriculture, foreign pests and diseases cost the American economy tens of billions of dollars annually.

At many ports, including the port of Brownsville, there are not enough Agriculture Specialists to staff all shifts and CBP Officers are backfilling for Agriculture Specialists despite a December 10, 2007 directive that states "Directors, Field Oper-

ations must ensure that CBPAS are assigned to agricultural inspectional activities at the individual ports of entry. It is imperative that assignments for these employees are dedicated to the mission of protecting the nation's food supply and agricultural industry from pests and diseases absent exigent operational circumstances."

CBP's AgRAM shows a need for an additional 721 frontline CBP Agriculture Specialists and supervisors to address current workloads through FY 2018; however, even with the 2016 increase in AQI user fees, **CBP proposed to fund 2,418 CBP Agriculture Specialist positions in FY 2018, not the 3,149 called for by the AgRAM.**

Despite CBP's release of its risk-based AgRAM that documents an ongoing shortage of CBP Agriculture Specialists—by 721—at the ports of entry, the budget request includes no direct appropriation to hire these critical positions needed to fulfill CBP's AQI mission of pest exclusion and safeguarding U.S. agriculture and natural resources from the risks associated with the entry, establishment or spread of animal, plant pests and pathogens. NTEU urges the Committee to support a direct appropriation to begin to hire the 721 Agriculture Specialists as stipulated in their FY 2018 AgRAM.

Customs User Fees

CBP collects Customs User Fees (CUFs) which include CUFs authorized by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to recover certain costs incurred for processing, among other things, air and sea passengers, and various private and commercial land, sea, air, and rail carriers and shipments. The source of these user fees are commercial vessels, commercial vehicles, rail cars, private aircraft, private vessels, air passengers, sea passengers, cruise vessel passengers, dutiable mail, customs brokers and barge/bulk carriers.

COBRA fees are deposited into the Customs User Fee Account and are designated by statute to pay for services provided to the user, such as 100% of inspectional overtime for passenger and commercial vehicle inspection during overtime shift hours. Of the 24,147 CBP Officers currently funded, COBRA user fees and COBRA FTA fund 3,825 full-time equivalent (FTEs) CBP Officers. Further, Immigration Inspection User Fees (IUF) fund 4,179 CBPO FTEs. **User fees under the Senate Finance Committee jurisdiction fund 8,004 CBPO FTEs or one third of the entire CBP workforce at the ports of entry.**

For every $10 million in CUFs collected, CBP funds 92 CBP Officer FTEs. The Administration has proposed, starting with FY 2015 and through its FY 2019 budget request, an increase of at least $2 in CUFs and $2 in IUFs. **If enacted, a $2 increase in both the CUFs and IUFs would support the hiring and support of 1,800 new CBP Officers per fiscal year.**

Diversion of Customs User Fees

NTEU strongly opposes the diversion of Customs User fees. Any increases to the CUF Account should be properly used for much-needed CBP staffing and not diverted to unrelated projects.

Unfortunately, under Section 52202 of the FAST ACT, Congress indexed CUFs to inflation, but diverted this funding from the Customs User Fees Account to the General Fund to pay for unrelated infrastructure projects. Indexing COBRA user fees to inflation would have raised $1.4 billion over ten years—a potential $140 million per year funding stream to help pay for the hiring of additional CBP Officers to perform CBP's border security, law enforcement and trade and travel facilitation missions.

Hijacking the indexed portion of the CUFs to inflation and using these fees as a FAST ACT pay-for **has cost CBP Customs user fee funding to hire over 900 new CBP Officers since the FAST Act went into effect. These new hires would have significantly alleviated the current CBP Officer staffing shortage.**

FY 2019 CBP Budget Request

The President's FY 2019 budget request does support the hiring of new CBP Officers to meet the current staffing need of 2,516, **but seeks to fund these new positions by increasing user fees.** The President's budget proposal only provides appropriated funding to hire 60 new CBP Officer positions at the National Targeting Center. The President's request seeks no appropriated funding to address the current CBP Officer staffing shortage of 2,516 additional CBP Officers as stipulated by CBP's own FY 2018 WSM or to fund the additional 721 CBP Agriculture Specialists as stipulated by CBP's own FY 2108 AgRAM.

As in the past, the Administration's budget proposes significant realignment of user fees collected by CBP. Currently, 33 percent of a CBP Officer's compensation is funded with a combination of user fees, reimbursable service agreements, and trust funds. The FY 2019 budget proposes to reduce OFO appropriated funding by realigning and redirecting user fees, including redirecting the Electronic System for Travel Authorization (ESTA) fee that would require a statutory change. The FY 2019 budget proposal would redirect approximately $160 million in ESTA fees from Brand USA to CBP. Rather than redirecting the ESTA fees to fund the additional 2,516 CBP Officer new hires needed to fully staff CBP Officer positions in FY 2019 and beyond, as stipulated by CBP's WSM, the budget would in fact reduce CBP's appropriated funding by $160 million. Therefore, while the budget proposes to increase the number of CBP Officer positions funded by ESTA user fees by 1,093, it decreases appropriated funding by $160 million, and reduces the number of CBP Officer positions funded by appropriations by 1,093 positions.

Once again, the President's FY 2019 budget includes CBP Officer staffing numbers that are dependent on Congress first enacting changes to statutes that determine the amounts and disbursement of these user fee collections. To accomplish the ESTA fee change in the President's budget, Congress must amend the Travel Promotion Act of 2009 (Pub. L. 111–145). The President's request also proposes fee increases to the Immigration and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) user fees, not a direct up-front appropriation, to fund CBP Officer new hires as stipulated by the WSM. However, **Immigration and COBRA user fees cannot be increased without Congress first enacting legislation.** A proposal to increase user fees has been part of the Administration's annual budget submission since FY 2014 to fund the hiring of new CBP Officers. These user fee increase proposals are again in the FY 2019 budget request, but it is NTEU's understanding that the Senate Finance Committee is not currently planning to act on this long-standing CBP legislative proposal.

Therefore, to address CBP OFO staffing shortages and to address the ever-increasing volume of trade through the ports of entry in the future, NTEU strongly supports S. 2314, the standalone CBP Officer staffing authorization bill and urges Senators to cosponsor and advance this bill.

NTEU is seeking up to $100 million in Fiscal Year (FY) 2019 direct appropriations for the hiring of 500 CBP Officers, 100 CBP Agriculture Specialists, and additional needed non-uniformed Trade Operations and support staff. **NTEU commends the Senate Appropriations Committee for approving a bill for floor action that provides an additional $49 million above the FY 2019 Budget request to add 375 CBP Officers.**

CBP Officer Overtime

Also due to the ongoing current staffing shortage at the ports, CBP Officers nationwide are working excessive overtime to maintain basic port staffing. Currently, **CBP Officer overtime pay is funded 100% through the COBRA user fee** and is statutorily capped at $45,000 per year. All CBP Officers are aware that overtime assignments are an aspect of their jobs. However, long periods of overtime hours can severely disrupt an officer's family life, morale and ultimately their job performance protecting our nation.

Because of the ongoing staffing shortages, CBP Officers can be required to regularly work overtime which results in individual Officers hitting the overtime cap very early in the fiscal year. This leaves no overtime funding available for peak season travel, holidays and other times when CBP Officers are expected to work overtime resulting in critical staffing shortages in the third and fourth quarter of the fiscal year that usually coincide with peak travel at the ports.

At many ports, CBP has granted overtime exemptions to over one half of the workforce to allow managers to assign overtime to Officers that have already reached the statutory overtime cap, but cap waivers only force CBP Officers already working long daily shifts to continue working these shifts for more days. Officers are required to come in hours before their regular shifts, to stay an indeterminate number of hours after their shifts (on the same day) and are compelled to come in for more overtime hours on their regular days off as well. **Both involuntary overtime—resulting in 12 to 16 hour shifts, day after day, for months on end—and involuntary work assignments far from home significantly disrupt CBP Officers' family life, erode morale and are not a solution for staffing shortages at the ports.**

Temporary Duty Assignments at Southwest Land Ports of Entry

Due to CBP's ongoing staffing shortage, since 2015, CBP has been diverting CBP Officers from other air, sea and land ports to severely short-staffed Southwest land ports for 90day temporary duty assignments (TDYs). Since November 1, 2015 between 80 and 200 CBP Officers per quarter have been TDYed to the San Diego and Tucson land ports. Owing to the failure to fill CBP Officer positions, neither the San Ysidro nor Nogales land ports can safely function without these TDYs.

The continuing lack of CBP Officer staffing at these ports of entry results in forced overtime shifts, multiple deployments away from home, and low morale. Phase 4 of TDYs began June 24, 2018 with 100 CBP Officers being sent from other short-staffed ports to the critically short-staffed ports of Nogales and San Ysidro for 90-day temporary duty assignments.

Reimbursable Service Agreements

In recent years, in order to find alternative sources of funding to address serious CBP Officer and Agriculture Specialist staffing shortages, CBP received authorization for and has entered into Reimbursable Service Agreements (RSAs) with the private sector as well as with state and local governmental entities. These stakeholders reimburse CBP for additional inspection services including overtime pay and the hiring of new CBP Officer and Agriculture Specialist personnel that in the past have been paid for entirely by user fees or appropriated funding. According to CBP, since the program began in 2013, CBP has entered into agreements with 36 stakeholders, providing more than 106,000 additional processing hours for incoming commercial and cargo traffic.

NTEU believes that the RSA program would be entirely unnecessary if Congress, when it authorized CBP user fees collected to be indexed to inflation, had provided that the $140 million a year funding stream be used to increase CBP overtime, staffing and other resources, rather than fund highway and other infrastructure projects authorized by the 2016 highway bill. NTEU also believes that the RSA program is a band aid approach and cannot replace the need for Congress to either appropriate new funding or authorize an increase in customs and immigration user fees to adequately address CBP staffing needs at the ports.

RSAs simply cannot replace CBP appropriated or user fee funding—making CBP a "pay to play" agency. NTEU also remains concerned with CBP's new Preclearance expansion program that also relies heavily on "pay to play." Further, NTEU believes that the use of RSAs to fund CBP staffing shortages raises significant equity issues between larger and/or wealthier ports and smaller ports, which calls for an engaged Congress conducting active oversight.

Opioid Interdiction

CBP OFO is the premier DHS component tasked with stemming the nation's opioid epidemic—a crisis that is getting worse. In a report released on May 10, 2019, by the Senate Homeland Security and Governmental Affairs Committee Minority titled "Combatting the Opioid Epidemic: Intercepting Illicit Opioids at Ports of Entry," CBP Officers at the ports of entry were found to "play a key role in stopping opioids and that CBP has significant shortages of Port Officers that may be compromising efforts to seize additional opioids before they can reach U.S. communities."

The smuggling of fentanyl and other opioids has increased markedly. According to the report, "between 2013 and 2017, approximately 25,405 pounds, or 88% of all opioids seized by CBP, were seized at ports of entry. The amount of fentanyl seized at the ports of entry increased by 159% from 459 pounds in 2016 to 1,189 pounds in 2017."

The scourge of synthetic opioid addiction is felt in every state and is a threat to the nation's economic security and well-being. The majority of fentanyl is manufactured in other countries such as China, and is smuggled primarily through the ports of entry along the southwest border and through international mail and express consignment carrier facilities (*e.g.,* FedEx and UPS). CBP Officers are, "in the majority of cases, the last line of defense in preventing illicit opioids from entering the United States. . . . **CBP's current shortage of over 4,000 Port Officers is directly influencing operations and staffing these positions could increase CBP's ability to interdict opioids.**"

According to CBP, over the last three years, there were 181 CBP employees assigned to the five Postal Service International Service Centers and 208 CBP employees assigned to the Private Express Carrier Facilities.

On average, CBP Officers only inspect 100 of the 1.3 million inbound international packages that arrive daily by international mail. In 2016, 65 million packages arrive via express carriers, which are required by law to provide advanced electronic data. However, this data can be incomplete. The Committee report found, "for example, from 2014 and 2016, CBP issued over five thousand penalties for incomplete manifest information and assessed over $26 million in fines. However, express shippers successfully negotiated penalties down to just over $4 million."

In the past year, the FedEx hub in Memphis processed 38 million imports and 48 million exports—equaling 86 million in total package volume. There are approximately 24 CBP Officers in total screening all 86 million shipments, and on average, about 15 CBP Officers are working the main overnight FedEx "sort" shift. Considering the volume at the FedEx hub, NTEU has been told that the port requires a minimum of 60 CBP Officers to facilitate the flow of legitimate freight and ensure successful interdiction of these synthetic chemicals. NTEU's CBP OFO appropriation request supports both the critical need at the air, sea and land ports of entry, but also at international postal and express consignment hubs.

Also, under the Trade Act of 2002 as amended, Congress required all cargo, including express cargo, but not including inbound international mail, subject to requirements for electronic advance data (EAD). For cargo arriving by aircraft, express consignment operators are required to provide EAD to CBP prior to the scheduled arrival of express cargo in the U.S. Express consignment operators accept items for delivery to the U.S. at points of sale in foreign countries and maintain control of items until they are delivered to the addressees.

GAO reports that express consignment operators say that "they are able to individually scan each item upon arrival, providing an opportunity to identify and set aside express cargo targeted for CBP inspection based on EAD" (GAO–17–606, page 29). However, CBP Officers tell NTEU that this is not the case for "overages" that arrive unmanifested or for mislabeled packages. They also tell us that too many people rely on electronic manifests to be accurate when they frequently are not.

According to GAO, "although CBP has been using EAD to target express cargo for inspection since approximately 2004, it has not evaluated whether this method results in benefits relative to other methods of choosing express cargo . . . for inspection" (GAO–17–606, page 28).

For these reasons, **NTEU commends Senator Portman (R–OH) for including language in section 8 of S. 3057, the STOP Act, requiring CBP to provide a report on an annual basis on the individuals and companies that violate the Trade Act to the Senate Committee on Finance,** among others. Congress, by requiring CBP to annually report this useful information on violators and violator penalty assessments, would enhance CBP's interdiction of prohibited items from entering the U.S. through express consignment operators.

Lastly, the nation's busiest land port of entry San Diego, along with the Tucson area land ports, account for "57% of all opioids seized by ports of entry, including 75% of all fentanyl and 61% of all heroin seized." These two land ports are also the most critically understaffed. According to CBP, "these long-term staffing shortfalls continue to stretch the limits of operational, enforcement and training capabilities at the San Diego and Tucson ports of entry."

Non-uniformed Trade Enforcement and Compliance Staffing

When CBP was created in 2003, it was given a dual mission of not only safeguarding our nation's borders and ports from terrorist attacks, but also the mission of regulating and facilitating international trade. CBP is responsible for collecting import duties and ensuring importers fully comply with all applicable laws, regulations, quotas, Free Trade Agreement (FTA) requirements, and intellectual property provisions.

Customs revenues are the second largest source of federal revenues collected by the U.S. Government after tax revenues, and this revenue funds other federal priority programs. NTEU is deeply concerned with the lack of resources, both in terms of dollars and manpower, being devoted to CBP's trade functions. Lack of sufficient focus and resources not only cost the U.S. Treasury in terms of customs duties and revenue loss, but also cost American companies in terms of lost business to unlawful imports.

As of February 2018, there are 2,496 CBP revenue occupation personnel onboard, 272 positions short of the CBP revenue staff authorized by Congress. These occupations include Import (883), Entry (389), Drawback (34), Fines, Penalties and Forfeiture (271), National Import (84) and International Trade Specialists (155), Customs Auditors (308), and Attorneys (112).

The Senate Finance Committee has primary jurisdiction over CBP's trade and commercial operations mission. S**ince CBP was established in March 2003, however, there has been no increase in non-uniformed CBP trade enforcement and compliance personnel** even though inbound trade volume grew by more than 24 percent between FY 2010 and FY 2014. Additionally, CBP trade operations staffing has fallen below the statutory floor set forth in the Homeland Security Act of 2002 and stipulated in the FY 2017 CBP Resource Optimization Model for Trade Positions.

Also, continuing staffing shortages, inequitable compensation, and lack of mission focus, are the main reasons why experienced CBP commercial operations professionals at all levels, who long have made the system work, are leaving or have left the agency. Further, twenty-five percent of CBP Import Specialists will retire or be eligible to retire within the next few years. For these reasons, NTEU strongly supported CBP's FY 2018 direct appropriations request to hire 140 additional positions at the CBP Office of Trade to support implementation of Trade Enhancement and Facilitation Act (Pub. L. 114–125) requirements.

Conclusion

Increasing CBP OFO staffing at the ports of entry is an economic driver for the U.S. economy. According to JEC, "every day 1.1 million people and $5.9 billion in goods legally enter and exit through the ports of entry," but border delays cost the U.S. economy upwards of $5 billion each year. CBP estimates that the annual hiring of an additional 500 CBP Officers at the ports of entry would increase yearly economic activity by $1 billion and result in an additional 16,600 jobs per year to the U.S. economy.

Thank you for the opportunity to submit this statement on the CBP OFO resources needed to secure and protect trade and commerce at U.S. ports of entry on behalf of the men and women represented by NTEU at the nation's ports of entry.

U.S. Customs and Border Protection

Workload Staffing Model (WSM) Results

OFO's staffing requirement approach identifies the WSM baseline results, requirements for facility enhancements, and technology deployments through FY 2018 and requirements for conservatively projected growth through FY 2018 (3 percent).

OFO CBPO and CBPAS Staffing Requirments Through FY 2018

Current CBPO Staffing Requirment—2,516

Staffing Gap Indentified by the WSM +727

Facility/Technology Requirements +621

Volume Growth +1,593

BTI savings − (425)

Net CBPO Staffing Requirements Calculation:

(727 + 621 + 1,593) − 425 = 2,516

Current CBPAS Staffing Requirement 721

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The U.S. Travel Association is the national, non-profit organization representing all facets of the travel industry which generates $2.4 trillion in economic output and supports 15.6 million American jobs.

The U.S. Travel Association believes without security, there can be no travel. Security, which includes the infrastructure, personnel, and processes at America's ports of entry (POEs), is vital not only to protect the American homeland, but also to facilitate the efficient movement of people to and from our country.

The U.S. Travel Association supports investing in America's ports of entry for both facilities and with regard to manpower. Doing so would have extraordinarily positive results for the security of our border regions, as well as economic benefits that result from efficient travel facilitation. Congress should prioritize the investment of significant resources to hire new Customs and Border Protection agents to fill its vacancies and hire new personnel the agency badly needs. Further, Congress should invest in port of entry facilities to enhance security and facilitate the increasing volume of visitors. Additionally, the advent of new technologies could be used to make ports of entry both more secure and easier for known and low risk travelers to navigate without sacrificing or risking exploitation by bad actors.

In 2017, the U.S. welcomed 17.8 million visitors from Mexico and 20.2 million from Canada, all of which were screened through one of our ports of entry. This generated nearly $40 billion in travel spending within the U.S. ($20.3 billion from Mexican and $19B from Canadian travelers). It is imperative to both our national security and economic growth that America's ports of entry efficiently facilitate business and leisure travelers. The U.S. Travel Association welcomes the opportunity to help Congress develop policies that promote America.

U.S. Travel commends Chairman Cornyn and Ranking Member Casey for convening this hearing and looks forward to working with the subcommittee to improve ports of entry infrastructure.

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