

# ASSESSING THE STATE OF AMERICA'S SEAPORTS

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
BORDER SECURITY, FACILITATION,  
AND OPERATIONS  
OF THE  
COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES  
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## ASSESSING THE STATE OF AMERICA'S SEAPORTS

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Wednesday, January 19, 2022

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON BORDER SECURITY,  
FACILITATION, AND OPERATIONS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:07 p.m., via Webex, Hon. Nanette Diaz Barragán [Chairwoman of the subcommittee] presiding.

Present: Representatives Barragán, Correa, Green, Clarke, Luria, Gottheimer, Higgins, Guest, Bishop, and Clyde.

Ms. BARRAGÁN. The Subcommittee on Border Security, Facilitation, and Operations will come to order.

The purpose of today's hearing is to assess the state of our Nation's seaports. Seaports are critical to the movement of commerce and thus critical enablers of the U.S. economy, especially as the country continues its fight against the COVID-19 pandemic.

As the Chairwoman of the Border Security, Facilitation, and Operations Subcommittee and the Member representing the Port of Los Angeles, the largest container port in the Nation, I understand how important it is that our seaports have the resources they need in order to support the safe and timely processing of trade and travel. I am encouraged that Secretary Walsh and Secretary Buttigieg have traveled to the Port of Los Angeles to see the challenges first-hand. The administration's attention and investment in our seaports, including the Port of Los Angeles, is critical to ensuring that goods coming through the ports make it to their final destination without delay.

The Port of Los Angeles, like seaports across the Nation, has continued operations throughout the COVID-19 pandemic, despite the dangers posed by the virus.

As people have shifted spending habits toward more consumer goods, cargo levels have surged. This makes the issue of staffing and protecting staff at our seaports from the virus even more important. Our seaports have long been understaffed by U.S. Customs and Border Protections Office of Field Operations, which is the lead agency responsible for facilitating trade and travel at ports of entry. This includes our seaports, land ports, and airports. While the decline in air travel and cruises during the pandemic initially allowed CBP to redirect staff toward seaports to help with surging cargo, travel volumes are now rising across all ports of entry. In fact, some CBP officers from seaports are being detailed to assist

with rising travel at land ports of entry. Even with the reduced and redirected staff, seaports were paying for additional overtime and services through the Reimbursable Services Program. As I expect we will hear from our witnesses, this Band-Aid approach toward staffing is not sustainable.

We also need to ensure that CBP and our ports are taking appropriate steps to protect the work force during this pandemic. These front-line workers continue to facilitate trade and travel despite the risk posed by the virus. They have this committee's gratitude for their efforts. Seaports have also struggled with infrastructure and technology challenges which have hampered trade facilitation over the last year. For example, at the Ports of Los Angeles and Long Beach a lack of storage space and increase in daily ships has contributed to congestion at the port. Other smaller ports have also experienced high wait times as CBP examination of high-risk cargo has at times taken up to 3 weeks to complete. Fortunately, those examinations have decreased to under 10 days since their peak. However, concerns persist, particularly in relation to cybersecurity. Cyber attacks against U.S. maritime targets increased 400 percent in 2020. As cyber attacks continue to become more dangerous, a successful cyber attack against a major seaport could cripple trade and have significant implications for the U.S. economy.

Now, in addition, appropriately resourcing our seaports continues to be a challenge. We have heard concerns that CBP has at times turned to seaports to fund upgrades to facilities and new equipment. CBP has attempted to alleviate long-standing challenges through programs like the Reimbursable Services Program and the Customs Trade Partnership Against Terrorism. While these programs help meet short-term needs, we must and we need to make sure we are addressing systematic challenges. Seaports are also facing significant cyber threats and are critical to the American economy. We must look toward fully resourcing them as cargo volume shows no sign of decreasing as the economy continues to reopen.

I look forward to hearing from our witnesses today on what assistance Congress and my subcommittee can offer to better support and resource ports. I am also interested in hearing any recommendations from our witnesses on changes that need to happen to CBP's public-private partnership program.

[The statement of Chairwoman Barragán follows:]

STATEMENT OF CHAIRWOMAN NANETTE DIAZ BARRAGÁN

JANUARY 19, 2022

Seaports are key to the movement of commerce, and thus critical enablers of the U.S. economy, especially as the country continues its fight against the COVID-19 pandemic. As the Chairwoman of the Border Security, Facilitation, and Operations Subcommittee, and the Member representing the Port of Los Angeles—the largest container port in the Nation, I understand how important it is that our seaports have the resources they need in order to support the safe and timely processing of trade and travel.

I am encouraged that Secretary Walsh and Secretary Buttigieg have traveled to the Port of Los Angeles to see the challenges first-hand.

The administration's attention and investment in our seaports, including the Port of Los Angeles, is critical to ensuring that goods coming through the ports make their final destination without delay.

The Port of Los Angeles, like seaports across the Nation, has continued operations throughout the COVID-19 pandemic despite the dangers posed by the virus. As people have shifted spending habits toward more consumer goods, cargo levels have surged. This makes the issue of staffing, and protecting staff at our seaports from the virus, even more important.

Our seaports have long been understaffed by U.S. Customs and Border Protection's (CBP) Office of Field Operations, which is the lead agency responsible for facilitating trade and travel at ports of entry. This includes our seaports, land ports, and airports. While the decline in air travel and cruises during the pandemic initially allowed CBP to redirect staff toward seaports to help with surging cargo, travel volumes are now rising across all ports of entry. In fact, some CBP officers from seaports are being detailed to assist with rising travel at land ports of entry. Even with the redirected staff, seaports were paying for additional overtime and services through the Reimbursable Services Program. As I expect we will hear from our witnesses, this Band-Aid approach toward staffing is not sustainable.

We also need to ensure that CBP, and our ports, are taking appropriate steps to protect the workforce during this pandemic. These front-line workers continue to facilitate trade and travel despite the risks posed by the virus, and they have this committee's gratitude for their efforts. Seaports have also struggled with infrastructure and technology challenges, which have hampered trade facilitation over the last year. For example, at the Ports of Los Angeles and Long Beach, a lack of storage space and increase in daily ships has contributed to congestion at the port. Other, smaller ports have also experienced high wait times as CBP examination of high-risk cargo has, at times, taken up to 3 weeks to complete. Fortunately, those examinations have decreased to under 10 days since their peak.

However, concerns persist—particularly in relation to cybersecurity. Cyber attacks against U.S. maritime targets increased 400 percent in 2020, as cyber attacks continue to become more dangerous. A successful cyber attack against a major seaport could cripple trade and have significant implications for the U.S. economy. In addition, appropriately resourcing our seaports continues to be a challenge. We have heard concerns that CBP has, at times, turned to seaports to fund upgrades to facilities and new equipment.

CBP has attempted to alleviate long-standing challenges through programs like the Reimbursable Services Program and the Customs Trade Partnership Against Terrorism (CTPAT). While these programs help meet short-term needs, we need to make sure we are addressing systematic challenges.

Seaports are also facing significant cyber threats, and are critical to the American economy, and we must look at fully resourcing them as cargo volume shows no signs of decreasing as the economy continues to reopen.

I look forward to hearing from our witnesses today on what assistance Congress and my subcommittee can offer to better support and resource ports. I am also interested in hearing any recommendations from the witnesses on changes needs to CBP's public-private partnership programs.

Ms. BARRAGÁN. So now, as the Chair, I will recognize the Ranking Member of the subcommittee, Mr. Higgins of Louisiana, for an opening statement.

Mr. Higgins, are you on?

Mr. HIGGINS. I am, good lady, and thank you for the technological advice.

I thank my friend, the Chairwoman, for holding this important meeting today and I would also to thank our witnesses for joining us, especially Director Self, Richert Self, from the Port of Lake Charles in my district.

In today's global economy maritime trade is a critical component of our Nation's daily life. Commerce, the future of our Nation, depends upon maritime trade. As many across the Nation have seen recently, disruptions in our Nation's ports can have disastrous consequences to our Nation's supply chain and in our daily lives. While the media and our Government have focused heavily on the COVID-related disruptions at ports in California and New York, there are ports from around the Nation, such as the Port of Lake Charles, the twelfth-busiest port in the country and the seventh-

fastest growing seaport in America, Lake Charles has faced natural disasters and COVID head-on. The Port of Lake Charles relies on the Calcasieu Ship Channel for access to the Gulf and its main cargo includes petroleum, aluminum, forest products, steel, bulk grain, other materials. It is an energy port and significant products move through it for the betterment and survival of all America.

The Port of Lake Charles was severely impacted by the two major hurricanes that hit Southwest Louisiana last year. The port and associated businesses suffered over \$240 million worth of damage between Hurricanes Laura and Delta and only weeks apart. That is still being addressed today and the long-term recovery is something my office greatly supports. But the impact of natural disasters, combined with COVID and work force shortages, they affect the lives of every American and we are focused on that today in this hearing.

The primary issue faced by the Port of Lake Charles and my district is the slow pace of Federal funding and approvals of that funding from agencies like FEMA. It is an unnecessary injury on top of injury. Ensuring our ports are fully functional and operational from Lake Charles to Los Angeles is key to our Nation's recovery. A healthy port system greatly contributes to our National and economic security.

I look forward to hearing from all of our witnesses today and I hope we in Congress can work together to solve many of the challenges our Nation's seaports face.

I thank the Chairwoman and I yield.

[The statement of Ranking Member Higgins follows:]

STATEMENT OF RANKING MEMBER CLAY HIGGINS

Thank you, Chairwoman Barragán, for holding this important hearing today. I would also like to thank our witnesses for joining us, and especially to Director Richert Self from the Port of Lake Charles in my district.

In today's global economy, maritime trade is a critical component of our Nation's daily life, commerce, and future. As many across the Nation have seen recently, disruptions at our Nation's ports can have disastrous consequences to our Nation's supply chains and in our daily lives.

While the media and our Government have focused heavily on the COVID-related disruptions at ports in California and New York, there are ports around the Nation, such as the port of Lake Charles, the 12th-busiest port district in the country and the seventh-fastest-growing seaport in America, which has faced natural disasters and COVID head-on. The Port of Lake Charles relies on the Calcasieu Ship Channel for access to the Gulf, and its main cargo includes petroleum coke, aluminum, forest products, steel, bulk grain, and other materials, making it an energy port.

The Port of Lake Charles was severely impacted by the two major hurricanes that hit the southwest Louisiana coast last year. The port and associated businesses suffered over \$240 million worth of damage between Hurricanes Laura & Delta that is still being addressed today. However, the primary issue faced by the port and my district, is the slow pace of Federal funding approvals from agencies like FEMA.

Ensuring our ports are fully functional and operational from Lake Charles to Los Angeles is key to our Nation's recovery. A healthy port system greatly contributes to our National and economic security. I look forward to hearing from all our witnesses today, and I hope we in Congress can work together to solve many of the challenges our Nation's seaports face.

Madam Chairwoman, I yield back.

Ms. BARRAGÁN. Thank you, Ranking Member. I want to thank the Ranking Member for his opening statements.

Members are reminded that the subcommittee will operate according to the guidelines laid out by the Chairman and Ranking Member in their July 8 colloquy. The Chair is looking to see if the



full committee Chair, the gentleman from Mississippi, Mr. Thompson, is on so I can recognize him for an opening statement. Let me scroll through my various screens here. I don't yet see him on. I don't think I see him here. OK. So having not seen him on my screen, I will move on. I also don't see the Ranking Member Katko. So I will also move on as well.

Member statements may be submitted for the record.  
[The statement of Chairman Thompson follows:]

STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

JANUARY 19, 2022

Our seaports are vitally important to trade and commerce, not only here in the United States but around the globe. Over the course of the COVID-19 pandemic, we have come to rely increasingly on our seaports. Critical medical equipment and personal protective gear passed through these ports, while consumers have shifted toward buying more goods and fewer services. These trends, coupled with the threat of COVID-19—especially for front-line workers who are unable to work from home—pose serious challenges for our seaports.

Some of these challenges exacerbate long-standing issues—like chronic understaffing. This staffing shortage hurts workforce morale, while slowing trade and commerce and affecting seaport operations.

Some ports have attempted to mitigate staffing shortages, including through the use of CBP's Reimbursable Services Program, or RSP. Through RSP, ports can reimburse CBP for additional customs, immigration, or agricultural services at ports of entry. However, this program is meant to be a temporary solution for short-term needs—it should not become a Band-Aid for systematic issues.

CBP also offers the voluntary Customs Trade Partnership Against Terrorism (CTPAT) program to the trade community. This program helps expedite trade while securing the supply chain, benefiting CBP and participants. However, there may be a need to expand and improve this program.

I am also concerned about the cybersecurity of our seaports.

Ports around the world have been the victim of cyber attacks during the pandemic—including Houston last summer. While the Port of Houston was able to defend against that attack, attacks on the maritime and logistics industry are increasing. A successful cyber attack on a major seaport could have devastating implications. I understand that witnesses here today have taken action to protect against this threat, and I look forward to hearing their perspectives on how the Federal Government can support these efforts.

I am also eager to hear from our witness today on their suggestion for addressing the staffing, security, and congestion challenges facing our seaports today amidst the pandemic, as well as into the future.

Ms. BARRAGÁN. With that—you know, they can join us later on—I want take the opportunity to welcome our panel of our witnesses. Mr. Christopher Connor is the president and chief executive officer at the American Association of Port Authorities. His Association is comprised of 78 public port authorities along the Atlantic, Pacific, and Gulf Coast, the Great Lakes, and in Alaska, Hawaii, Puerto Rico, Guam, and the U.S. Virgin Islands.

Our next witness, Mr. Anthony Reardon, is the national president of the National Treasury Employee Union. He represents over 29,000 Customs and Border Protection Office of Field Operations employees stationed at 320 air, sea, and land ports of entry across the United States and 16 Preclearance stations at airports abroad.

Mr. Gene Seroka is executive director at the Port of Los Angeles. Mr. Seroka oversees the busiest seaport in the Western Hemisphere and has over 33 years of maritime shipping experience in the United States and abroad. I am proud to work very closely with Gene. So I welcome Mr. Seroka with us.

I now want to recognize Congressman Luria to introduce our witness from the Port of Virginia.

Ms. LURIA. Well, thank you, Madam Chair and Ranking Member for letting me join your subcommittee today. Although I am a Member of the Homeland Security Committee, I am not formally on the subcommittee. But I had to take the opportunity to join and introduce Cathy Vick from the Port of Virginia. If you will indulge me for just a second I can brag a little bit on the Port of Virginia.

We are the third-largest port on the East Coast and had a record year in 2021. So while some other ports across the country faced some challenges, I think the port has some unique attributes that allowed them to not only keep up with the increased volume throughout the year—and hopefully Cathy will be able to highlight some of those in her remarks—as well as the great news today that we received from the bipartisan infrastructure package, that the Port of Virginia has received \$70 million as well for our continuation of the Federal—dredging project, which will bring us to be the deepest port on the East Coast at 55 feet.

But without further ado, Cathy Vick is the chief development and public affairs officer for the Virginia Port Authority. She oversees economic development, government, and community relations, sustainability, and environmental, and the Maritime Incident Emergency Response Teams. She kind-of does it all. You can't go to the port without seeing Cathy and seeing her great work. So we are really excited to have her speaking to the Homeland Security Committee today and bringing some lessons and some recommendations from the Port of Virginia.

So thank you again and I yield back.

Ms. BARRAGÁN. Well, thank you, Rep Luria. It is great to be able to have our Members come up here and introduce folks in their districts and to brag about our ports. We all love to do that.

With that, I now want to recognize Ranking Member Higgins to introduce our witness from the Port of Lake Charles.

Mr. Higgins.

Mr. HIGGINS. I thank the Chairwoman.

I am proud to introduce to the committee one of Lake Charles' finest citizens. Director Self currently serves as the executive director of the Port of Lake Charles in Louisiana. He has been with the port since 2003 as the director of administration and finance. He was promoted to deputy executive director in 2017 and was hired as the executive director in 2020. He is a native of Lake Charles. He holds a bachelors of science in business from McNeese State University, a masters of business administration from the University of New Orleans, and he is a certified public accountant.

In 2016 Director Self was appointed to the Louisiana Board of International Commerce by our Governor, John Bel Edwards. The Louisiana Board of International Commerce serves as the authority on behalf of the State to advance the Louisiana State international commerce economic sector.

I am honored to host Director Self today and we look forward to hearing his opening statement and his response to some questions.

I yield Madam Chair.

Ms. BARRAGÁN. Thank you, Mr. Higgins, for that introduction of your invited witness today.

Without objection, the witnesses' full statements will be inserted in the record.

I now will ask each witness to summarize his or her statement for 5 minutes, beginning with Mr. Connor.

**STATEMENT OF CHRISTOPHER J. CONNOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN ASSOCIATION OF PORT AUTHORITIES**

Mr. CONNOR. Chairwoman Barragán, Ranking Member Higgins, Members of the subcommittee, good afternoon.

I would like to thank to thank the Subcommittee on Border Security, Facilitation, and Operations for your recognition of the critical role seaports play in our National security and the challenges they face, particularly as ports have dealt with the unprecedented demands of the global pandemic.

In view of my already-submitted written testimony, and to respect the time constraints and leave ample time for the impressive group of panelists gathered here today, I will focus my brief remarks on the three issues. No. 1, screening staff shortages at CBP; No. 2, screening facility upgrades, and, No. 3, maritime security.

As a preamble to my remarks, it is important to note that while ports have a vested interest in secured cargo and passenger movement, it is the duty of the Federal Government to fund and staff customs inspection facilities. The brave men and women of our law enforcement agencies are vital partners in port security. We are grateful to them for their commitment throughout the challenges of this pandemic and we continue to advocate that they have the resources they need to carry out their missions.

Screen staff shortages. Even before the pandemic shortages of CBP officers and agricultural specialists were a chronic problem at seaports. CBP's own workplace staffing model shows a deficit of 1,700 officers. As a result, ports are concerned about processing capacity. During this crisis, some shippers have looked to smaller ports as a relief valve of sorts and these ports have reported difficulties getting officer coverage when they need it most.

CBP has allowed ports to enter into reimbursable service agreements to pay for officer overtime. This was intended to be a temporary fix but is becoming the norm at more and more ports around the country. Last year one medium-sized port in California paid over \$1 million in overtime out of a budget of roughly \$20 million. These overtime expenses represent a significant portion of our ports' already tight budgets and limit their ability to make long-term capital investments. We ask Congress to fully staff CBP to ensure an effective work force and efficient cargo movement.

With regard to screening facility upgrades, CBP also faces funding shortages for the facilities and ports of entry. To close that gap, CBP has in recent years turned to ports to pay for major upgrades in new facilities. This represents an attempt to shift the burden of financing their inspection mission from the Federal Government onto ports. This is both unsustainable and outside the authority of CBP. Our Association's initial research into the legal basis for these demands shows no statutory authority that allows CBP to require non-Federal entities to contribute to their inspection mission. In fact, over the years legislative changes, including amendments

to the Immigration and Naturalization Act, have restricted the ability of CBP to push off the burden of maintaining its minimal operational requirements. Other authorities cited by CBP merely entitle them to the use of a room, literally a floor, to conduct inspections. Over the years this has been expanded to include office space, IT, recreation areas and gyms, parking, gun lockers, kitchens, and more. These demands are excessive and well beyond the original intention of the Free Space Agreements.

The financial burden of these requirements also wreaks havoc on port budgets. Seaports are public entities with limited resources. Particularly at a time when we desperately need infrastructure upgrades to ensure our country's long-term competitiveness, adding these expenses hampers a port's ability to make outlays for their future.

As mentioned, ports work in partnership with CBP and our members rely on the courageous efforts of CBP officers to keep our gateways safe, but ports are unable to bear the burden of the financial demands. Congress must act to provide CBP with the resources they need to effectively carry out their important mission.

Finally, with regard to maritime security, the Port Security Grant Program was created in the wake of 9/11 and is the main method by which ports can make large-scale security upgrades. In recent years funding for this program has fallen sharply, even as threats have increased and taken on new forms. We ask Congress to return the Port Security Grant Program to its highest level and ensure that ports are the main recipient of Port Security Grant funds.

In conclusion, I appreciate the opportunity to give you an update on our country's ports and their security needs going forward. While the past 2 years have presented unprecedented challenges to the supply chain, we should all be proud that U.S. ports have remained open and safe. The pandemic has shown us where we have problems and where we can make improvements. As we continue to recover, ports are looking forward to continuing their roles as gateways to commerce and the first lines of defense against potential threats.

Thank you.

[The prepared statement of Mr. Connor follows:]

PREPARED STATEMENT OF CHRISTOPHER J. CONNOR

JANUARY 19, 2022

Good afternoon, Chairwoman Barragán, Ranking Member Higgins, and Members of the subcommittee.

My name is Chris Connor, and I am the president and CEO of the American Association of Port Authorities (AAPA). I would like to thank the Subcommittee on Border Security, Facilitation, and Operations for your recognition of the critical role seaports play in our National security and the challenges they face, particularly as they dealt with the unprecedented demands of a global pandemic. I appreciate the opportunity to discuss our maritime transportation systems security challenges and needs. I also appreciate the subcommittee's commitment to holding this hearing and I think it demonstrates the critical role seaports play in our economy and National security.

AAPA is the unified voice of the seaport industry in the Americas, and my testimony is given on behalf of State and local public agencies located along the Atlantic, Pacific, and Gulf coasts, the Great Lakes, and in Alaska, Hawaii, Puerto Rico, Guam, and the U.S. Virgin Islands. For more than a century, AAPA membership has empowered port authorities to serve global customers and create economic and

social value for their communities. Today, AAPA represents ports in our Nation's Capital on urgent and pressing issues facing our industry, promotes the common interests of the port community, and provides critical industry leadership on security, trade, transportation, infrastructure, environmental, and other issues related to port development and operations.

AAPA's members remain committed to the continued safe and efficient flow of freight and goods to markets across the Nation and across the globe. As the title of this hearing suggests, I am here today to give an update on the state of America's seaports, including the impacts that the COVID-19 pandemic has had on seaport security and what our industry needs to continue to facilitate the secure movement of vital goods into and out of this country.

#### SEAPORTS ARE HUBS OF CARGO AND PASSENGER ACTIVITY

Ports are hubs of commerce. As such, a wide range of activities converge on the port. Ships arrive and depart, cargo is loaded and off-loaded, passengers embark and disembark, trains and trucks move goods around the port and to and from destinations outside. All these elements must work together, or our supply chain will falter, putting millions of jobs and trillions of dollars of economic activity at risk. Because of this, ports are natural targets for those who wish to disrupt our way of life.

Over the past 2 years, as people shifted their spending from travel and dining out to e-commerce, the importance of a well-functioning supply chain was made even more evident. Between an explosion in Lebanon, a ship stuck in the Suez Canal, and cargo congestion here at home, the maritime transportation system has been in the news frequently and the world has seen the consequences of a breakdown in that system. The global pandemic not only highlighted the importance of our supply chain, but it also exposed the vulnerabilities and exacerbated existing problems. I am proud to say, however, that throughout the pandemic America's seaports never closed and today they are moving more cargo than ever before. As we grapple with new, fast-spreading variants, we must continue to prioritize critical infrastructure—like ports—to make sure that issues like testing shortages don't impact our ability to move goods.

As waterborne trade continues to grow, ports are eager to make the necessary upgrades to their facilities to alleviate some of our current challenges and make investments in the future. While traditional infrastructure is dominating the headlines, the importance of improving security at our maritime gateways must also be a focus of this Congress.

It is important to note that while ports have a vested interest in secure cargo and passenger movement, it is the duty of the Federal Government to fund and staff customs inspection facilities. The brave men and women of our law enforcement agencies are vital partners in port security. We are grateful to them for their commitment throughout the challenges of this pandemic and we continue to advocate that they have the resources they need to carry out their missions.

#### SCREENING STAFF SHORTAGES

Even before the pandemic, shortages of Customs and Border (CBP) officers and agriculture specialists was a chronic problem at seaports of entry. CBP's own Workplace Staffing Model shows a deficit of 1,700 officers. This deficit can have a significant impact on processing times, adding an additional bottleneck to already overloaded ports, and limiting our ability to keep up with long-term growth in trade and travel.

As with everything else, the pandemic added another layer of complexity to cargo screening. Social distancing rules meant that only a limited number of officers could work in each processing facility at one time while quarantine protocols restricted swaths of officers from working if they had been exposed to the virus. CBP was also not immune from the pandemic's deadly effects and, tragically, over 30 CBP officers lost their lives.

To help alleviate some of the screening congestion, officers were reassigned from cruise and airport screenings but with the resumption of cruising and foreign travel, coupled with increased levels of trade, we are concerned about processing capacity. With our major gateway ports full, shippers have looked to smaller ports as a "relief valve" of sorts. These ports have reported difficulties getting officer coverage when they need it most.

CBP also allowed ports to enter into reimbursable services agreements to pay for officer overtime. This was intended to be a temporary fix but is becoming the norm at more and more ports around the country. Last year one medium-sized port in California paid over \$1 million for overtime out of a budget of roughly \$20 million.

These overtime expenses represent a significant portion of our ports' already tight budgets and limit their ability to make long-term capital investments. This also puts a strain on CBP officers. As you can imagine, consistently working 12–16-hour shifts leads to fatigue and increases in human error which leave our ports of entry more exposed to bad actors.

We ask Congress to fully staff CBP to ensure an effective workforce and efficient cargo movement.

#### SCREENING FACILITIES UPGRADES

CBP also faces funding shortages for their facilities at ports of entry. To close that gap in recent years, CBP has turned to ports to pay for major upgrades and new facilities. This represents an attempt to shift the burden of financing their inspection mission from the Federal Government onto ports. This is both unsustainable and outside the authority of CBP.

One of this Government's original functions was to collect customs duties on imported goods. For hundreds of years, the Federal Government paid for the facilities and resources required to carry out that function. In the last few years, however, local CBP offices have come to ports with demands for upgrades. These demands are often coupled with threats to slow down cargo processing or disallow the opening of new terminals.

Our association's initial research into the legal basis for these demands shows no statutory authority that allows CBP to require non-Federal entities to contribute to their inspection mission. In fact, over the years, legislative changes—including amendments to the Immigration and Naturalization Act—have restricted the ability of CBP to push off the burden of maintaining its minimum operational requirements. Other authorities cited by CBP merely entitle them to the use of a room—literally a floor—to conduct inspections. Over the ensuing years this has been expanded to include office space, IT, recreation areas and gyms, parking, gun lockers, kitchens, and more. These demands are excessive and well beyond the original intention of the free space agreements.

The financial burden of these requirements would also wreak havoc on port budgets. Seaports are public entities with limited resources. Particularly at a time when we desperately need infrastructure upgrades to ensure our country's long-term competitiveness, adding these expenses would hamper ports' ability to make outlays for their future.

Ports feel that they have little recourse to remedy this problem without jeopardizing their operations. Our members have worked in good faith with their local CBP offices as well as CBP headquarters to address concerns, but CBP is unwilling or unable to make concessions.

As mentioned, ports work in partnership with CBP, and our members rely on the courageous efforts of CBP officers to keep our gateways safe. But ports are unable to bear the burden of their demands. Congress must act to provide CBP with the resources they need to effectively carry out their important mission.

#### MARITIME CYBERSECURITY

Another vulnerability compounded during the pandemic has been maritime cybersecurity. Cyber attacks against maritime targets in the United States has increased a staggering 400 percent over the past year. As port staff shifted to working from their home networks, and cargo backups and a stalled cruise industry meant that ship systems remained on port networks for much longer than usual, opportunities grew. At the same time, our country relied even more heavily on the maritime supply and crippling strikes laid bare the efficacy of attacking critical infrastructure, providing even greater incentives to bad actors.

The pandemic revealed what was already a growing problem. The 4 largest shipping companies in the world have been hit by ransomware in the last 4 years. Through the proliferation of the industrial internet of things, more and more ship and port systems are connected to each other or the internet. A critical attack on any of these systems could have devastating economic consequences or even lead to the loss of life. The maritime transportation system needs resources to harden their IT systems to prevent attacks and to respond appropriately when an attack does occur.

The Port Security Grant Program (PSGP) is the main method by which ports and related groups can make large-scale security upgrades. PSGP was created shortly after 9/11 as Congress realized that ports—as critical infrastructure—were vulnerable to threats. In the ensuing years, PSGP funding has dwindled to a fourth of its highest appropriated amount and much of that funding does not go to public port authorities, as originally intended. While the nature of threats has changed since

2001 the magnitude of those threats has not. We ask Congress to return PSGP to its highest level and ensure that ports are the main recipient of PSGP awards.

CONCLUSION

I appreciate the opportunity to give you an update on our country's ports and their security needs going forward. While the past 2 years have presented unprecedented challenges to the supply chain, we should all be proud that U.S. ports have remained open and safe. The pandemic has shown us where we have problems and where we can make improvements. As we continue to recover, ports are looking forward to continuing their roles as gateways to commerce and the first lines of defense against potential threats.

Investments in our law enforcement agencies and our security infrastructure will allow us to keep the country safe while expanding global trade and protect our ports against new and evolving hazards.

Once again, I thank the Members of the subcommittee for this opportunity to share our industry's thoughts and concerns. I hope you will consider the information presented here and that you will call on me if I can be of any assistance to the subcommittee.

Ms. BARRAGÁN. Thank you, Mr. Connor, for your testimony.

I now recognize Mr. Reardon to summarize your statement for 5 minutes.

**STATEMENT OF ANTHONY M. REARDON, NATIONAL PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION**

Mr. REARDON. Thank you, Chairwoman Barragán, and Ranking Member Higgins. Members of the subcommittee, I thank you for the opportunity to testify on behalf of over 29,000 front-line CBP officers, agricultural specialists, trade enforcement specialists, and support staff at our Nation's 328 air, sea, and land ports of entry and at Preclearance operations overseas.

These employees ensure the efficient processing of legitimate trade and travel and stop illicit trafficking of people, drugs, weapons, and money. Improving security, trade, and travel and ensuring the safest possible working environment for CBP personnel at all ports of entry are of paramount importance to our members, especially during the recent COVID-19 crisis. To date, the CBP front-line work force has had over 13,000 confirmed COVID-19 cases according to CBP-wide figures, and 59 line-of-duty deaths due to the virus. NTEU mourns these losses with family and friends of these workers and greatly appreciates their service to our country.

The international ports of entry are an economic driver of the U.S. economy, contributing \$74 billion in revenue in 2020. In addition, CBP officers' drug interdiction success is indisputable, with seizure of fentanyl at the ports of entry up over 300 percent. Another example is in 2019 CBP seized 17 tons of cocaine with a street value of over \$1 billion from a cargo ship at the Philadelphia seaport. However, there is no greater roadblock to the Nation's economic and border security than the lack of sufficient CBP staff at the ports. Unfortunately, as I have testified in the past, the ports of entry continue to be chronically understaffed. Despite the decrease in international trade and travel volume, primarily at air and land ports due to the pandemic, according to CBP's own staffing models, there continues to be a staffing shortage of 900 CBP officers, 200 CBP agriculture specialists, and 200 CBP non-uniformed trade specialists.

The pandemic has affected trade volume at the seaports to a much lesser effect as water-borne vessels continue to be the leading

mode of transportation for international freight. For example, despite the pandemic, in 2020 there was a 6 percent increase in activity at the L.A. and Long Beach seaports that has been felt by CBP personnel. And the significant increase of container vessels and the L.A. and Long Beach seaports, and other major seaports, as the world has begun to reopen, can be seen at the docks and sitting out in the water as container vessels wait to enter commerce.

The average 2019 dwell time of container vessels at the top 25 U.S. container ports was estimated at 28.2 hours, up from 27.3 hours in 2018. This was before the full effect of the pandemic impacted seaport operations. While neither DHS nor the transportation department tracked how CBP OFO staffing allocations and CBP officer staffing shortages affect vessel dwell time at the Nation's seaports, NTEU believes it does have a negative effect.

In 2021, understaffed Southwest Border land ports necessitated the deployment of up to 850 CBP OFO employees from airports and seaports to temporary duty assignments to those ports. The lifting of the nonessential travel ban has been at the Northern and Southwest Border ports last November has further exacerbated CBP port staffing shortages.

Now, there is an additional pandemic-related issue that I want to mention that threatens to disrupt our economic recovery. The reduction in user fees collected due to the drastic drop in international commercial travel, and to a lesser extent, trade volume since March 2020. These user fees fund 40 percent of CBP personnel budgeted at the port, including 8,000 CBP officer positions. That is roughly one-third of the entire CBP work force at the ports of entry. To address the on-going issue Congress has provided appropriated dollars to bridge these user fee shortfalls in the CR and appropriators have assured NTEU that the final fiscal year 2022 deal will continue this funding. If Congress is unable to come to a final deal and there is a full year CR, NTEU urges Congress to ensure that there is no disruption of this funding and furloughs will continue to be avoided. It is vital that Congress continue to authorize and fund additional staffing to ensure CBP employees at the ports of entry can continue to succeed in their important work.

I thank you and I am happy to answer any questions you may have.

[The prepared statement of Mr. Reardon follows:]

PREPARED STATEMENT OF ANTHONY M. REARDON

JANUARY 19, 2022

Chairwoman Barragán, Ranking Member Higgins, and distinguished Members of the subcommittee, thank you for the opportunity to testify before you today. As national president of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 29,000 Customs and Border Protection (CBP) Office of Field Operations (OFO) employees, including CBP officers, agriculture specialists, trade enforcement personnel, and support staff stationed at the 328 air, sea, and land ports of entry across the United States (U.S.) and 16 Preclearance stations at airports in Ireland, the Caribbean, Canada, and the United Arab Emirates.

CBP OFO employees are responsible for border security at U.S. ports of entry, including anti-terrorism, immigration, anti-smuggling, trade compliance, and agriculture protection. CBP's OFO pursues a dual mission of safeguarding American ports by protecting the public from dangerous people and materials, while enhancing the Nation's global and economic competitiveness by enabling legitimate trade



and travel. In addition to CBP's trade and travel security, processing, and facilitation missions, CBP OFO employees at the ports of entry are the second-largest source of revenue collection for the U.S. Government. In 2020, CBP processed more than \$2.4 trillion in total import value of goods and collected approximately \$74 billion in customs duties and fees.

As with every workplace, the COVID-19 pandemic remains one of the most significant on-going challenges facing CBP employees at the ports of entry. The pursuit of the safest possible working environment for CBP employees at all ports of entry, trade, enterprise services and operations support facilities has been NTEU's paramount concern during the COVID-19 crisis. Throughout the pandemic, many international air, sea, and land ports of entry remained open and staffed by CBP OFO employees 24 hours a day, 7 days a week, 365 days of the year.

Despite best efforts to protect essential front-line CBP employees, over 13,000 CBP employees have tested positive for COVID-19 and tragically at least 59 CBP employees have died as a result of the virus.

I want to take a moment to honor the NTEU CBP members by name: CBPO Genaro Guerrero—San Ysidro, CBPO Crispin San Jose—Cross Border Xpress, CBP Technician Van Dong and CBPO Monica Riola—Los Angeles International Airport, CBPO Alfonso Murrieta—Tucson International Airport, CBPO Richard McCoy—Fort Lauderdale/Port Everglades Port of Entry, CBPO Richard Rios—Area Port of Ysleta Commercial Facility, CBPOs Troy Adkins, Rodolfo Morales, Jr., and Richard Rios—Port of El Paso, CBPO Jose Santana—Laredo Port of Entry, CBPO Roel De La Fuente—Port of Hidalgo, CBPO Domingo Jasso—Progreso Port of Entry, CBPO Carlos Mendoza—Pharr Cargo Facility, CBP Agriculture Specialist Juan Ollervidez—Hidalgo Port of Entry, CBP Field Technology Officer James Taylor—JFK International Airport, CBPO Omar Palmer—JFK International Airport, CBPO Ching Kok (C.K.) Yan—JFK International Airport, CBPO Andrew Bouchard—Houston Seaport, CBPO Cesar Sibonga—Kenneth G. Ward Port of Entry, CBPO Lucas Saucedo—Eagle Pass Port of Entry, CBPOs Yokemia Conyers, David Saavadra, Eric J. Skelton, and CBP Technician Francisco Tomas—Miami Port of Entry, CBPO Bruce Eckhoff—Port of San Francisco/Oakland, CBPO Victor Donate—Atlanta Airport, and CBPO Brian Vogel—Port of Sault Ste. Marie.

I am happy to report that since the vaccine became available to essential Federal employees, NTEU has worked with CBP to encourage and assist our members in getting the vaccine. According to our most recent briefing, nearly 90 percent of CBP OFO employees are fully vaccinated as required by the mandate. We all understand Federal workers' anxiety about their own and their family's safety during this pandemic as they work to keep our country safe. NTEU continues to call for all those coming through the ports of entry to be vaccinated. As leaders, it is important that we continue to do everything we can to mitigate the risks they face, and we need to encourage them to do so on an individual basis, for their own safety as well as the safety of their coworkers and families.

NTEU strongly supports hazard pay for front-line Federal employees. In addition to pushing for hazard pay in earlier COVID relief bills, NTEU supports the Hazardous Duty Pay for Frontline Federal Workers Act (H.R. 2744), introduced by Representative Donald Payne (D-NJ), which would temporarily provide hazard pay for employees who are exposed to an individual who has (or has been exposed to) COVID-19. We have also been working with Members of Congress to craft legislation to provide hazard pay specifically for CBP employees. It is hoped that this bill, which should be retroactive, will be introduced early this year.

Along with ensuring protection from the pandemic, the most important resource that Congress needs to provide for the successful reopening of the economic driver that is our international ports of entry, including seaports, is funding to address ongoing CBP OFO port staffing shortages.

*CBP Staffing at the Ports of Entry.*—For years, NTEU has advocated for the hiring of thousands of new CBP officers and hundreds of new agriculture specialists and non-uniformed trade operations personnel that are needed based on the agency's own Workload Staffing Model (WSM), Agriculture Resource Allocation Model (AgRAM) and Resource Optimization Model for Trade Revenue (Trade ROM).

Pursuant to these models, the final fiscal year 2020 funding agreement provided \$104 million to fund the hiring of 800 new OFO positions, including 610 CBP officer and CBP agriculture specialist new hires. Unfortunately, Congress did not continue to fund to the models in fiscal year 2021. While House Appropriators approved \$171 million for 1,150 new CBP OFO positions including \$91 million for 850 CBP officers, \$10 million for 100 support personnel and \$30 million for 200 agriculture specialists, the final fiscal year 2021 funding agreement did not include any funding to increase staffing for CBP OFO.

CBP's staffing models are dynamic and reflect the impact of the pandemic on CBP OFO staffing needs. Despite the decrease in international trade and travel in the past year due to the pandemic, CBP's most recent staffing models show a staffing gap of over 900 CBP officers, 214 agriculture specialists, and 200 non-uniformed trade specialists. However, there has been no additional funding provided for needed CBP new hires at the ports of entry since fiscal year 2020. Staffing shortages have been exacerbated by the lifting of the travel ban on November 8, 2020, ending more than 18 months of restrictions, allowing in non-essential tourists who had proof of their coronavirus vaccination and proper documentation to legally enter the United States.

To address the OFO staffing gap, NTEU has requested that House and Senate Appropriators include funding for CBP OFO new hires up to levels required by the CBP's dynamic workplace staffing models for CBP officers, agriculture specialists and trade specialists in their fiscal year 2022 DHS appropriations bills. NTEU is asking Appropriators to provide at minimum \$160 million in direct appropriated funding for CBP "Operations and Support" in fiscal year 2022 to fund the hiring of at least 800 CBP officers, 200 CBP agriculture specialists, 200 CBP agriculture technicians, 20 agriculture canine teams and 50 non-uniformed trade enforcement specialists and associated operational support personnel.

To further support this staffing request, NTEU joined a coalition of 22 port stakeholders, including the American Association of Port Authorities, Airports Council International—North America, and the U.S. Travel Association on a letter dated November 15, 2021, to the House and Senate Appropriations Committee urging funding for new officers as the agency prepares for an influx of passengers and cargo at the ports-of-entry once the Omicron surge subsides. (See exhibit A.) As the letter states, ensuring CBP staffing is an economic driver for the U.S. economy and an additional 800 CBP officers would not only reduce wait times at ports of entry, but also provide new economic opportunities across the United States. "While the volume of commerce crossing our borders has more than tripled in the past 25 years, CBP staffing has not kept pace with demand" the coalition wrote. "Long wait times at our ports-of-entry lead to travel delays and uncertainty, which can increase supply chain costs and cause passengers to miss their connections. According to the U.S. 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."

*CBP OFO Staffing at the Seaports.*—Due to the pandemic, supply chain and private-sector seaport staffing issues have overwhelmed U.S. seaports. There are several witnesses testifying today that will speak to these issues. NTEU is here today to outline staffing concerns of NTEU CBP members at the seaports. According to the Port Performance Freight Statistics Program's 2020 Annual Report to Congress, which was released on January 15, 2021, waterborne vessels are the leading transportation mode for international freight, moving 41 percent of freight value in 2019—over \$1.7 trillion. Nearly \$1.1 trillion of this amount was containerized, which is the primary means for moving intermodal cargo. Of the top 25 U.S. international freight gateways (airports, land border crossings, and maritime ports) by value, 10 were maritime ports, including the Ports of New York and New Jersey, Los Angeles, Long Beach, Houston, Savannah, Virginia, Charleston, Baltimore, Oakland, and Tacoma. Ports are measured by: (1) Overall cargo tonnage, (2) dry bulk cargo tonnage, or (3) by 20-foot equivalent unit (TEU) of containerized cargo.

In 2019, the top 25 tonnage ports handled a total of 1.82 billion tons of cargo, accounting for 77 percent of the total tons in 2019. The highest tonnage figures are associated with ports like the Ports of Houston and South Louisiana which handle large quantities of both liquid bulk cargo (e.g., petroleum or chemicals) and dry bulk cargo (e.g., coal or grain). The top 25 dry bulk ports handled a total of 667.7 million tons of cargo in 2019, accounting for 28 percent of the total tons in 2019. The Port of South Louisiana remained in the top spot and handled by far the greatest volume of dry bulk cargo.

The highest TEU volumes are associated with coastal container ports, such as the Ports of Long Beach, Los Angeles, and New York and New Jersey. The Port of Los Angeles facilitated \$259 billion in trade during 2020 and is North America's leading seaport by container volume and cargo value. The 10 U.S. ports with the most container activity account for 80 percent of all U.S. container port activity. New data shows that the Port of Long Beach had a 6 percent increase in activity in 2020 as compared with 2019.

Nationally, container and tanker vessel dwell times were stable in 2019, with little variation from 2018. The average 2019 dwell time of container vessels at the top 25 U.S. container ports was estimated at 28.2 hours, up from 27.3 hours in 2018. In 2020 and 2021, Vessel dwell times have been severely impacted by the COVID-

19 pandemic. Unfortunately, the Department of Transportation does not track how CBP OFO staffing allocations at the ports of entry and CBP officer staffing shortages impact vessel dwell times at the Nation's seaports.

NTEU leaders at the Los Angeles/Long Beach (LA/LB) seaports note that the CBP workforce there felt that 6 percent increase in activity in 2020. In addition, there has been significant increase of container vessels at the LA/LB Seaports as the world has begun to re-open that can be seen sitting at the docks and out in the water as container vessels wait to enter the port. Multiple news reports (both National and local), comment about the backlog of cargo. At LA/LB, Fines Penalties and Forfeitures continue to be short-staffed while the volume of trade operations work keeps growing. Seized Property is experiencing the same problem. These CBP staffing shortages at the seaports will only be further exacerbated as cruise lines resume full operations when pandemic-related travel restrictions ease.

In addition to CBP OFO staffing shortages, CBP vehicle shortages are a problem at the LA/LB, Norfolk and other seaports, requiring 3 to 4 CBO officers to share a vehicle as they work. This number of CBP officers in one vehicle is of particular concern during the pandemic, but the lack of official vehicles for CBP employees to do their job has been an on-going problem. CBP employees are also requesting larger vehicles to accommodate the equipment they are required to carry to get the job done. There is also a shortage of laptops available for use, especially by trade enforcement employees at the ports' Centers for Excellence and Expertise.

*Temporary Duty Assignments.*—Acknowledging the on-going CBP officer staffing shortage at the ports, CBP again has found it necessary to solicit CBP officers for temporary duty assignment (TDY) to San Ysidro, Otay Mesa, and Calexico land ports of entry, which began in May and ran through the fourth quarter of 2021. According to CBP, the TDY was necessary to support the workload and operational challenges facing the San Diego Field Office, such as wait times in excess of 4 hours. These TDYs were filled by CBP officers currently assigned to air and seaport locations, further exacerbating any staffing issues at seaports.

To end the need for TDYs, it is up to Congress to address the on-going port staffing deficit by authorizing and funding CBP OFO new hires in fiscal year 2022 and subsequent years until the staffing gap identified in the workload staffing models are met. Without addressing the on-going CBP officer staffing shortages, allocating adequate staffing at all ports will remain a challenge.

Unfortunately, the fiscal year 2022 President's DHS budget request is essentially flat and includes no increase in funding for CBP OFO new hires. NTEU greatly appreciates the President for providing a pay raise for Federal employees for 2022 and for including in his budget request new CBP funding to address the annualization of the 2021 and 2022 pay raises, the associated FERS contribution increase and funding for certain port modernization projects. The House Appropriations Committee approved its fiscal year 2022 Homeland Security funding bill in mid-June, but that bill has no funding for CBP OFO new hires. As you know, Congress has been unable to complete action on fiscal year 2022 appropriations and Federal agencies are operating under a Continuing Resolution through February 18, 2022.

Last Congress, the Senate Homeland Security and Governmental Affairs Committee favorably reported out S. 1004, the Safeguarding American Ports Act, stand-alone legislation that would authorize the hiring of 600 additional CBP officers annually until the staffing gaps in CBP's WSM is met. NTEU strongly supports the introduction of this stand-alone CBP officer staffing authorization bill in both the House and Senate this Congress.

*CBP Agriculture Specialist Staffing.*—Currently, there is a shortage of approximately 214 agriculture specialists Nation-wide according to CBP's own data-driven and vetted Workload Staffing Model. Last year, Congress approved Pub. L. 116-122, the Protecting America's Food and Agriculture Act of 2019. The new law authorizes CBP to hire 240 CBP agriculture specialists, 200 CBP agriculture technicians and 20 agriculture canine teams per year until the staffing shortage that threatens the U.S. agriculture sector is met. NTEU's appropriations request includes funding to hire the first wave of CBP agriculture quarantine inspection (AQI) personnel authorized by the newly-enacted statute.

For example, there is an on-going CBP agriculture specialist staffing shortage at Port Hueneme that predates the pandemic. CBP continues to try to fill agriculture specialist positions at both Port Hueneme and at the LA/LB Seaports, but there is a shortage of this position Nation-wide. CBP agriculture specialists and officers without AQI training are being sent from LA/LB to help Port Hueneme leaving those ports short-staffed. NTEU leaders at the Port of Norfolk also report an on-going shortage of agriculture specialists.

*CBP Trade Operations Staffing.*—In addition to safeguarding our Nation's borders and ports, CBP is tasked with regulating and facilitating international trade. CBP

employees at the ports of entry are critical for protecting our Nation's economic growth and security and are the second-largest source of revenue collection for the U.S. Government—\$74 billion in 2020. For every dollar invested in CBP trade personnel, \$87 is returned to the U.S. economy, either through lowering the costs of trade, ensuring a level playing field for domestic industry or protecting innovative intellectual property. Since CBP was established in March 2003, however, there has been no increase in non-uniformed CBP trade enforcement and compliance personnel. Additionally, CBP trade operations staffing has fallen below the statutory floor set forth in the Homeland Security Act of 2002 and stipulated in the fiscal year 2019 CBP Trade ROM. To maintain CBP's trade enforcement mission, NTEU requests that Congress provides funding in fiscal year 2022 for 50 additional CBP non-uniformed trade personnel.

*User Fee Shortfalls.*—One of the most critical pandemic-related issues facing CBP OFO is the reduction of user fee funding that is threatening the Nation's economic recovery as international trade and travel struggles to return to normal. This funding shortfall is a result of the reduction in customs and immigration user fees collected due to the drastic drop in international commercial travel, and to a lesser extent, trade volume since March 2020.

As you know, CBP collects fees under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and immigration inspection user fees to recover certain costs incurred for processing 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. International air travel contributes 94 percent of COBRA and immigration user fees. COBRA and immigration user fees together fund 40 percent of CBP's OFO budget, including 8,000 CBPO positions. That is roughly one-third of the entire CBP workforce at the ports of entry. Agriculture Quality Inspection (AQI) user fees currently fund up to 2,400 agriculture specialists, currently 100 percent of the CBP agriculture specialists workforce.

Due to the pandemic's continued disruption of fee-generating international travel and commerce, user fee collections have fallen precipitously which has necessitated the need for emergency funding to prevent furloughing CBP OFO personnel at a time when international trade and travel volume is beginning to return to pre-pandemic levels. To address the user fee shortfall, we were pleased that Congress provided \$840 million in fiscal year 2021 emergency appropriations to maintain current staffing of CBP officers. Projected CBP trade and travel volume data shows an estimated user fee shortfall of up to \$1.4 billion through the first quarter of fiscal year 2022.

To address the on-going user fee shortfall, Congress has provided appropriated dollars to bridge this shortfall in the Continuing Resolution and has given NTEU assurances that the final fiscal year 2022 deal will continue this funding. In the case that Congress is unable to come to a final deal and there is a full-year CR, NTEU is working to ensure that there is no disruption of this funding and furloughs will continue to be avoided. Congress also provided up to \$635 million through the end of fiscal year 2022 in supplemental funding to USDA to cover the user funding shortfall that funds CBP agriculture specialists staffing.

U.S. businesses rely on the safe and efficient movement of goods and people across our borders and are all working to safely resume international travel and travel. Keeping current CBP officer staffing levels will be necessary to successfully transition into a more robust, safe, and delay-free travel environment and improve cargo movement. Losing the hiring and staffing advances that CBP finally started to gain after years of effort and much appreciated funding support by Congress will negatively impact cross-border travel, passenger processing, and trade facilitation in future years as the economy returns to normal.

The critical issues that American businesses are facing to recover from this pandemic require quick, decisive action so that our Government can best facilitate the flow of travel and trade as the economy recovers. Without Congress again providing supplemental funding or reprogramming existing funds to support these CBP officers between now and the end of fiscal year 2022, we are gravely concerned that this loss of user fee funding will result in furloughs at a time when this workforce is most needed to facilitate the flow of legitimate travel and trade as the economy recovers.

NTEU requests that the committee seek from appropriators either through reprogramming, a supplemental funding bill, or in its final fiscal year 2022 DHS appropriations bill, funding to replace user fee shortfalls for CBP OFO salaries and expenses and to mitigate dependence on user fees to fund salaries and expenses of CBP OFO personnel. This CBP OFO funding request will help to ensure that cur-

rent CBP officer staffing levels are maintained as trade and traffic volumes increase. NTEU implores you to seek additional funding now so that CBP officers can stay on the job during the economic recovery. CBP employees at the ports of entry already face many challenges in the course of their work and concerns about their health and safety or of being furloughed as the country reopens for business should not be among them.

NTEU also strongly opposes any diversion of COBRA user fees. Any increases to the user fee account should be properly used for much-needed CBP staffing and not diverted to unrelated projects. In 2015, the Fixing America's Surface Transportation (FAST) Act indexed COBRA user fees to inflation. However, the Act diverted this increase in the user fee from CBP to pay for unrelated infrastructure projects. Indexing the COBRA user fee to inflation is projected to raise \$1.4 billion over 10 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. Diverting these funds has resulted in CBP not receiving this user fee funding to hire over 900 new CBP officers per year since the FAST Act went into effect. These new hires would have significantly alleviated the current CBP officer staffing shortage.

*CBP Officer Overtime.*—Prior to the pandemic, on-going staffing shortages resulted in CBP officers being required to work excessive overtime hours to maintain basic port staffing. CBP officer overtime pay is entirely funded through user fees 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. CBP officers can be required to regularly work overtime hours and many individual officers have hit the overtime cap very early in the fiscal year. This leaves no overtime funding available for peak season travel, resulting in critical staffing shortages in the third and fourth quarter that coincides with holiday travel at the ports.

To address this issue prior to the pandemic, CBP granted overtime cap 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. As the trade and travel volume recovers, CBP officers may once again be required to come in hours before their regular shifts, to stay an indeterminate number of hours after their shifts (on the same day) and compelled to come in for more overtime hours on their regular days off. Involuntary overtime resulting in 12- to 16-hour shifts, day after day, for months on end significantly disrupts CBP officers' family life and erodes morale. As NTEU has repeatedly stated, extensive overtime is not a long-term solution for staffing shortages at the ports and we need Congress' support to end this practice by funding OFO new hires as international trade and travel volume continues to rally.

*Reimbursable Service Program.*—In order to find alternative sources of funding to address serious 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, who are already paying COBRA and immigration user fees for CBP OFO employee positions and overtime, 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. Since the program began in 2013, CBP has entered into agreements with over 236 stakeholders providing more than 793,000 additional processing hours for incoming commercial and cargo traffic (see GAO-20-255R and GAO-21-234R).

NTEU 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 the need for an increase in CBP appropriated or user fee funding—and they make 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.

*Illegal Narcotics Interdiction.*—CBP OFO is the premier DHS component tasked with stemming the Nation's opioid epidemic—a crisis that continues to get worse. On a typical day, the agency makes over 900 arrests and seizes more than 9,000 pounds of illegal drugs.

According to a May 2018 report released by the Senate Homeland Security and Governmental Affairs Committee Minority titled *Combatting the Opioid Epidemic:*

*Intercepting Illicit Opioids at Ports of Entry*, “between 2013 and 2017, approximately 25,405 pounds, or 88 percent 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 percent from 459 pounds in 2016 to 1,189 pounds in 2017.” CBP officials recently testified that seizures of fentanyl at the ports of entry “increased from 2,579 pounds in fiscal year 2019 to 3,967 pounds in fiscal year 2020, an increase of 54 percent. For the comparative time frame of fiscal year 2020 and 2021 (October to March for both years) the amounts seized were 1,079 and 5,048. This is over a 300 percent increase with a half year to go.”

In June 2019, 17 tons of cocaine, with a street value of over \$1 billion, was seized from a cargo ship at the Port of Philadelphia. This amount of cocaine could kill millions of people. The drug seizure is the latest in a series of large cocaine busts at East Coast seaports. In an earlier March 2019 bust at the Philadelphia seaport, drug dogs sniffed out 1,185 pounds of cocaine worth about \$38 million—at that time, the city’s largest seizure of the drug in more than 2 decades. And in February 2019, CBP officers seized 3,200 pounds at the Port of New York and New Jersey with a street value estimated at \$77 million. That was the largest cocaine bust at the seaport since 1994. NTEU’s fiscal year 2022 funding request supports the CBP officer new hires, but also additional CBP canine teams on the front line.

*On-going Morale Issues at DHS*.—Adequate staffing at CBP ports of entry is critical to our Nation’s economic vitality. In order to attract talented applicants, however, Federal agencies must also recognize the importance of employee engagement and fair treatment in their workplace. Unfortunately, low morale has been a consistent challenge at CBP that is reflected in CBP’s ranking in the Partnership for Public Service (PPS) *Best Places to Work in the Federal Government*. In 2020, PPS ranked CBP as 328th out of 411 component agencies surveyed.

The *Best Places to Work* results raise serious questions about the CBP’s ability to recruit and retain the top-notch personnel necessary to accomplish the critical missions that keep our country safe. If the agency’s goal is to build a workforce that feels both valued and respected, these results show that the agency needs to make major changes in its treatment of employees.

Of particular concern to NTEU is the increase in suicides as the reported cause of death of Federal employees. Last year, the U.S. Bureau of Labor Statistics (BLS) released data that shows that Federal employee suicides were at their highest level in at least 15 years, with suicides accounting for 28 percent of the 124 Federal employee job-related deaths in 2018. Since 2011, the number of self-inflicted intentional fatalities among Federal workers has more than doubled to 35, although the Federal workforce has remained approximately the same size.

Most suicides continue to involve Federal employees in work related to law enforcement, such as CBP. In 2016, 15 of the 16 reported suicides were by Federal workers employed at a National security-related agency. At CBP, more than 100 employees died by suicide between 2007 and 2018, according to the agency. NTEU applauds CBP for seeking additional funding for their Employee Assistance Program (EAP). In response to many conversations and concerns regarding the adequacy of CBP’s programs to assist employees who are experiencing mental health issues. At NTEU’s insistence CBP also agreed to bargain over the establishment of a union/management Suicide Prevention and Resiliency workgroup. The purpose of the workgroup is to collaborate on new and innovative ways to promote and improve current resiliency and suicide prevention programs within CBP.

NTEU also applauds the President for including in fiscal year 2022 budget request an increase of \$2.1 million to fund onsite clinicians to support CBP employee resiliency and suicide prevention programs.

NTEU also strongly supports H.R. 490, the DHS Morale, Recognition, Learning and Engagement Act or the DHS MORALE Act. The MORALE Act was approved by the House on April 20, 2021 and is awaiting action by the Senate. The bill directs the Chief Human Capital Officer (CHCO) to analyze Government-wide Federal workforce satisfaction surveys to inform efforts to improve morale, maintain a catalogue of available employee development opportunities and authorize the designation of a Chief Learning and Engagement Officer to assist the CHCO on employee development.

H.R. 490 also authorizes the establishment of an Employee Engagement Steering Committee comprised of representatives from across the Department, as well as individuals from employee labor organizations that represent DHS employees. Last, the bill authorizes the Secretary to establish an annual employee awards program to recognize non-supervisory DHS employees who have made a significant contribution to the Department. In our collective bargaining agreement with CBP, NTEU negotiated an extremely popular employee joint awards program. The Agency retains the discretion to determine how much of its budget will be allocated for

awards, but 85 percent of the total awards budgeted are recommended by a joint union/management awards committee to be distributed proportionately among bargaining unit employees. NTEU recommends that DHS look at the negotiated CBP joint awards program as a model for an agency-wide program.

While a major factor contributing to low morale at CBP is insufficient staffing and resources at the ports of entry, the provisions in the DHS MORALE Act will help to address non-staffing issues that affect employee morale by improving front-line employee engagement and establishing a statutory annual employee award program. NTEU commends the House for approving the DHS MORALE Act and will continue to urge the Senate to expeditiously do the same.

*NTEU Recommendations.*—To address CBP’s workforce challenges and to improve security, trade, and travel at our Nation’s ports of entry, Congress must first address CBP OFO on-going staffing shortages. It is clearly in the Nation’s economic and security interest for Congress to authorize and fund an increase in the number of CBP officers, CBP agriculture specialists, and other CBP employees at the air, sea, and land ports of entry.

In order to achieve the long-term goal of securing the proper staffing of CBP staffing at the seaports and end disruptive TDYs and excessive involuntary overtime shifts at all ports of entry, NTEU recommends that Congress take the following actions:

- Enact a stand-alone bill to authorize funding for CBP officer new hires to the level identified in the workload staffing model,
- Support funding for CBP officers new hires in fiscal year 2022 DHS Appropriations,
- Support fiscal year 2022 funding for new CBP agriculture inspection personnel, as authorized by Pub. L. 116–122,
- Support funding for needed trade operations specialists and other OFO support staff,
- Support the Hazardous Duty Pay for Frontline Federal Workers Act (H.R. 2744), and any new legislation that temporarily provides hazard pay for CBP employees exposed to the public at work during the COVID–19 pandemic, and
- Oppose any legislation to divert customs user fees to other uses, projects, or programs that are collected to fund a portion of salaries, benefits, and overtime for CBP officers.

The CBP employees that NTEU represents work hard and care deeply about their jobs and their country. These men and women are deserving of more staffing and resources to perform their jobs better and more efficiently. Authorizing funding for CBP OFO new hires will start to relieve the stress of excessive overtime and temporary reassignments that are a strain on CBP employees and their families.

Thank you for the opportunity to testify before the subcommittee.

NTEU EXHIBIT A

*November 15, 2021.*

The Honorable ROSA DELAURO,  
*Chair, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.*

The Honorable KAY GRANGER,  
*Ranking Member, Committee on Appropriations, U.S. House of Representatives, Washington, DC 20515.*

The Honorable PATRICK LEAHY,  
*Chair, Committee on Appropriations, U.S. Senate, Washington, DC 20510.*

The Honorable RICHARD SHELBY,  
*Vice Chair, Committee on Appropriations, U.S. Senate, Washington, DC 20510.*

DEAR CHAIR DELAURO, RANKING MEMBER GRANGER, CHAIR LEAHY, AND VICE CHAIR SHELBY: As stakeholders interested in the security and facilitation activities of Customs and Border Protection (CBP) at air, sea, and land ports-of-entry around the world, we remain greatly affected by the on-going COVID–19 global pandemic and its impact on the processing of passengers and cargo. As the U.S. economy recovers and international trade and travel begin to reach pre-pandemic levels, we are increasingly concerned that CBP staffing may not be sufficient to address these increased volumes.

While we are appreciative that both the House and Senate DHS Appropriations bills maintain funding for current CBP officer staffing levels, we are disappointed that neither bill included additional resources for CBP to hire new officers. With our air, sea, and land ports reopened to international travelers that are fully vaccinated on November 8 and cruise ships resuming full operations on January 15th, we are

seeing a surge in travelers that will need to be processed by CBP officers. Couple that with the identified need of 1,785 new officers in CBP's most recent workload staffing model, finalized when COVID-related international travel restrictions were in place, it is clear that the agency needs additional officers to smoothly process travelers and cargo without long delays at our ports of entry and to facilitate new economic opportunities in communities throughout the United States. That is why we respectively reiterate our original request and are asking you to consider during conference negotiations funding for 800 additional CBP officers—half the identified need—in the final fiscal year 2022 DHS appropriations bill.

Also, we should recognize CBP's continued shortfall in user fees collections that support 8,000 CBP officers at our ports of entry and preclearance operations at foreign airports as a result of the precipitous decrease in travel during the COVID pandemic. We greatly appreciate Congress providing supplemental resources last year to ensure that the agency maintains its staffing levels and continues to on-board new officers during the pandemic. We also are appreciative of the language included in the current continuing resolution that prevents the agency from furloughing staff due to pandemic-related loss of user fee funding. We believe additional emergency funding will be needed in the final fiscal year 2022 DHS appropriation agreement to sustain CBP officers as user fees have not yet returned to pre-pandemic levels and urge this funding be included in the final agreement.

Increasing CBP officer staffing is an economic driver for the U.S. economy. While the volume of commerce crossing our borders has more than tripled in the past 25 years, CBP staffing has not kept pace with demand. Long wait times at our ports-of-entry lead to travel delays and uncertainty, which can increase supply chain costs and cause passengers to miss their connections. According to the U.S. 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. The travel industry estimates long CBP wait times have discouraged international visitors, who spend an average of \$4,200 per visit, from traveling to the United States.

We share your commitment to ensuring that America's borders remain safe, secure, and efficient for all users while enhancing our global competitiveness through the facilitation of legitimate travel and trade. We greatly appreciate your efforts to continue building on staffing advances made in recent years, and we urge you to include fiscal year 2022 funding to sustain the current CBP officers, provide funding to hire new ones, and make up for the user fee funding shortfall.

Sincerely,

AIRPORTS COUNCIL INTERNATIONAL—NORTH AMERICA  
 NATIONAL TREASURY EMPLOYEES UNION  
 AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES  
 AMERICAN ASSOCIATION OF PORT AUTHORITIES  
 AIRFORWARDERS ASSOCIATION  
 AMERICAN SOCIETY OF TRAVEL ADVISORS  
 BORDER TRADE ALLIANCE  
 CARGO AIRLINE ASSOCIATION  
 CITY OF DOUGLAS, ARIZONA  
 CITY OF SAN LUIS, ARIZONA  
 DOUGLAS INDUSTRIAL DEVELOPMENT AUTHORITY  
 DOUGLAS INTERNATIONAL PORT AUTHORITY  
 DOUGLAS REGIONAL ECONOMIC DEVELOPMENT CORPORATION  
 FRESH PRODUCE ASSOCIATION OF THE AMERICAS  
 GLOBAL BUSINESS TRAVEL ASSOCIATION  
 GREATER NOGALES SANTA CRUZ COUNTY PORT AUTHORITY  
 GREATER YUMA PORT AUTHORITY  
 NATIONAL ASSOCIATION OF WATERFRONT EMPLOYERS  
 NATIONAL MARITIME SAFETY ASSOCIATION  
 TEXAS INTERNATIONAL PRODUCE ASSOCIATION  
 THE BORDERPLEX ALLIANCE  
 US TRAVEL ASSOCIATION.

Ms. BARRAGÁN. Thank you, Mr. Reardon, for your testimony.

I would now like to recognize Mr. Seroka to summarize his statement for 5 minutes.



**STATEMENT OF EUGENE D. SEROKA, EXECUTIVE DIRECTOR,  
PORT OF LOS ANGELES, CITY OF LOS ANGELES**

Mr. SEROKA. Thank you and good afternoon, Chairwoman Barragán, Ranking Member Higgins, and other distinguished Members of Congress.

My name is Eugene D. Seroka. I am the executive director of the Port of Los Angeles and the city of Los Angeles' chief logistics officer. Thank you for inviting me to participate today. It's a very important hearing given the supply chain challenges we have witnessed over the last 18 months and progress you have made, making Federal resources available to our Nation's ports.

The Port of Los Angeles, with our neighboring port in Long Beach, comprise the San Pedro Bay Port Complex, which handles nearly 40 percent of all containerized imports and 30 percent of all exports in the container for the United States. Cargo moving through this complex flows to and from 160 countries across the globe and reaches every Congressional district in the United States.

Our volume reflects changes in consumer behavior, trade patterns, and manufacturing supply chains. Overall, trade in the third quarter rose more than 6.7 percent, year over year, from \$73 billion quarter 3 of 2020 to nearly \$78 billion in quarter 3 in 2021. We average more than 900,000 container units per month since July 2020, even exceeding 1 million monthly 20-foot equivalent units in May 2021. Handling this amount of cargo is by any measure an amazing accomplishment for our marine terminal operators as well as our longshore work force. Before the pandemic we averaged 10 ships calling per day. Here at the Port of Los Angeles during the surge, we have averaged more than 15 ships a day.

The cargo surge has affected every node within the supply chain. Warehouses have reached capacity, container and chassis availability has been limited. And, as a result, our terminals are full. We put out a daily operational report on our website's hero page made available to the public every day. As of this morning, the situation at America's port is as follows: 18 container vessels at berth, 98 vessels have either left Asia or are on their way into this port complex. Container dwell times are at 6 days on dock, down from a peak of 11 days. On dock rail dwell is at 3 days, down from a peak of nearly 13½. But street dwell of containers and chassis stands at 11 days, nearly triple the normal street dwell time.

With the assistance of the White House, we began joint port action meetings 3 times a week with port envoy John Porcari and all stakeholders across the supply chain to discuss the operational challenges we face here in the San Pedro Bay and recommended actions. Through this effort we continue to work directly with cargo owners to expedite the movement of their goods out of the marine terminals using expanded gate hours and additional work efforts. This was dubbed as "Accelerate Cargo Los Angeles".

The address of the lack of available chassis, we then opened up cargo support facilities to accept empty containers right near our docks and free up chassis to pick up loaded imports, triangulating that activity. We also continued to expand our port community system, the Port Optimizer, the Nation's first and only port information sharing system, with additional modules, including the signal,

control signal, control tower, and the horizon, the first ever 6-month forecasting tool. These new modules provide our supply chain partners with greater visibility and action based factual data.

Last, our board has adopted a container excess dwell fee back in the month of October, which is a surcharge to ocean carriers for import containers that dwell on marine terminals 9 days or more. That fee has never been implemented. We have not collected a dime, but incredible progress has been made to move cargo off our docks where this morning we reported to the White House a 61 percent reduction in aging containers.

With the recent passage of the Infrastructure Investment and Jobs Act we have focused on applying the lessons learned over the past year-and-a-half to strategic investments made in our Nation's ports and goods movement system. We believe there are four critical areas in need of attention.

First, to ensure an adequate supply of trained workers across the supply chain. We are working with industry partners to develop the Nation's first work force training campus right here in Los Angeles. Next we need investment at facilities that allow our system to flex, to scale to the needs of the goods movement system. Here at the port we are pursuing permanent activation of an 80-acre site on Terminal Island to serve just that purpose. Third, a consistent message we have heard is the need for timely and uniform information sharing, building on that Port Optimizer and investing in this critical technology across the country. And, fourth, the Optimizer digitizes maritime supply chain data, protects the owners of that data, and provides stakeholders with improved system efficiency. And, last, supply chain disruption and inefficiency lead to higher emissions of greenhouse gases and criteria pollutants. We need to invest in cleaner technology to reduce emissions that harm surrounding communities, and that is why the Climate Smart Ports Act is so important.

We are developing a first-in-the-Nation program to deploy zero emission trucks in the near-term to handle cargo movement to destinations within 25 miles of our port. This will accelerate the development of wide-spread adoption, but also look to funding streams to help bridge that gap between the truck owner's needs and what major manufacturers are producing. We intend to support this program with port funds, but will need Federal partnership in a sustainable market maker effort.

Thank you for giving me the opportunity to testify today and I am happy to answer any questions you may have.

[The prepared statement of Mr. Seroka follows:]

PREPARED STATEMENT OF EUGENE D. SEROKA

JANUARY 19, 2022

INTRODUCTION

Good morning Chairman Thompson, Chairwoman Barragán, Ranking Member Katko, Ranking Member Higgins, Members of the House Subcommittee on Border Security, Facilitation, and Operations, and other distinguished Members of Congress. Thank you for the invitation to participate in this important hearing.

I am Eugene D. Seroka, executive director at the Port of Los Angeles. I concurrently serve on the board of directors for the California Association of Port Authorities and the American Association of Port Authorities. Also, I have been honored to serve on four Federal committees to enhance the speed and efficiency of cargo

movement and supply chain optimization, including the U.S. Department of Commerce Advisory Committee on Supply Chain Competitiveness, U.S. Maritime Administration Marine Transportation System National Advisory Committee, Federal Maritime Commission Supply Chain Innovation Team, and U.S. Department of Transportation Bureau of Transportation's former Port Performance Freight Statistics Working Group. In addition to spending the last 8 years at the Port of Los Angeles, I have more than 33 years of experience in the maritime shipping industry, both in the United States and abroad. Our industry is very much a relationship-based business and, throughout my career, I have been privileged to engage with every link of our global supply chain.

I greatly appreciate the purpose of today's hearing because I believe an open dialog is needed on lessons learned from the current cargo surge, its effect on our supply chain, and how the Federal Government can assist the maritime industry going forward. Today, the ports and goods movement sector overall is experiencing unprecedented disruption, especially at major trade gateways around the world. As the Federal Government seeks to identify long-term solutions, now is the time to discuss what we have learned and how we can be better prepared in the future.

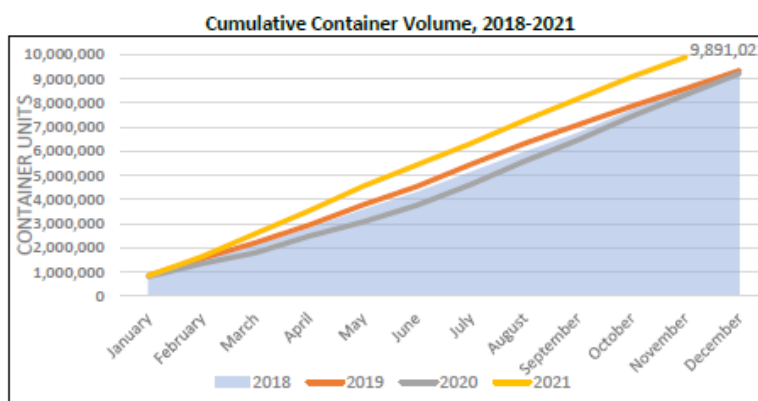
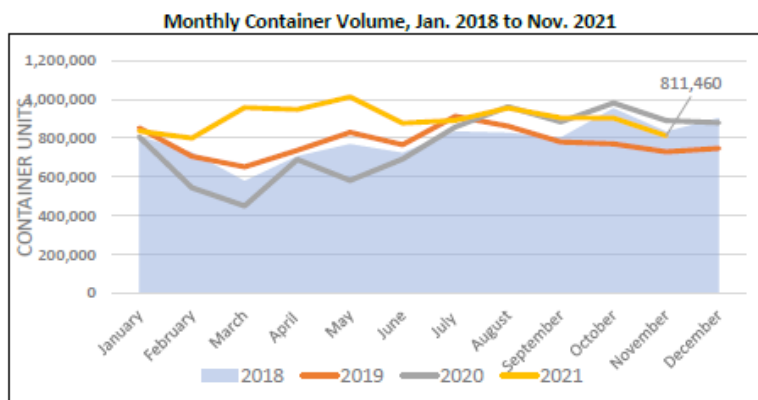
#### THE PORT OF LOS ANGELES

The Port of Los Angeles is the busiest container port in the Nation and the primary gateway to the Pacific Rim. While December 2021 volume is still being confirmed, we estimate that for calendar year 2021 the port handled approximately 10.7 million TEUs (20-foot equivalent units, the standard measure of container cargo), about 13 percent more than its previous record set in 2018, and the first time a U.S. port has moved more than 10 million container units in a calendar year. This achievement is a credit to the women and men across the supply chain—from the waterfront to warehouses. It is also attributable to the immense operational scale of the Port of Los Angeles: 27 terminals, 270 berths, roughly 200,000 unique shippers, 1,654 annual ship calls, 100 daily trains, and 60,000 daily truck moves. We also operate cruise, liquid bulk, and automobile business lines; however, container cargo is the largest share of our business.

Together with our neighboring port in Long Beach, we comprise the San Pedro Bay Port Complex, which handles nearly 40 percent of all containerized imports and 30 percent of all containerized exports for the United States. Cargo through this complex flows to and from 160 countries across the globe and reaches every Congressional district across the Nation. In fact, only one-third of the cargo handled at the port is destined for the Los Angeles region, while fully two-thirds of our cargo is destined for the National market. As a result, changes in consumer behavior, trading patterns, and manufacturing supply chains show up in our volumes.

#### VOLUME SURGE

Early in the pandemic, the port was initially down 20 percent in cargo volumes, our marine terminals had ample space, and there was a large number of canceled sailings. As the pandemic progressed and consumer spending shifted, our cargo volume increased rapidly averaging 900,000 containers per month since July 2020. Comparing the first 11 months of 2021 to previous years, they are 18.7 percent higher than 2020 volumes. In cargo value, overall trade in the third quarter rose more than 6.7 percent year over year, from \$72.8 billion in Q3 of 2020, to \$77.7 billion in 2021. This pandemic-induced surge is the main reason the Port of Los Angeles became the first port in the Western Hemisphere to process 10 million container units in a 12-month period. Additionally, the port processed 1,012,248 TEUs in May 2021, a leap of 74 percent compared to May 2020. It was the busiest month ever in the port's 114-year history, the first time a Western Hemisphere port has handled more than 1 million TEUs in a month.



*Note: the Port of Los Angeles is still finalizing December 2021 volumes. For 2021, cumulative volume through November was 9.8m container units; CY 2021 volume is anticipated to exceed 10m container units.*

#### SUPPLY CHAIN IMPACTS AND RESPONSE

Handling this amount of cargo is, by any measure, an amazing accomplishment for our terminal operators as well as our longshore workforce. Productivity at the port has never been higher. Before the pandemic, we averaged 10 ships a day; during this surge, we have averaged 16 to 17 ships a day.

The cargo surge has affected every node within the supply chain; our terminals are full, warehouses have reached capacity, containers and chassis are scarce, and ships await at berth, lining up outside the breakwaters for days.

The surge in volumes has placed strain on the system:

- **Warehouses.**—Despite nearly 2 billion square feet of warehouses in our region, these facilities filled up and resorted to using containers as temporary storage. The amount of time it takes for a container and chassis to cycle back to the port—what we call “street dwell”—went from an average of 3 days to 9.6 days.
- **Marine Terminals.**—Shippers need to continue to pick up their boxes here at the port, as the terminals continue to fill up with containers. The duration of time a container remains in a terminal before it is moved, is currently 6 days, an increase from 5.1 days previously recorded, and 4 days pre-pandemic. Marine terminal utilization remains elevated with terminal tarmacs 95 percent utilized (80 percent is considered “full”).

- *Turn Times.*—When terminal tarmacs are stacked with containers, it takes longer for trucks to pick up the boxes, so “truck turn times” increase. Ships also take longer to process, causing incoming ships to be directed to anchor.
- *Ships at Anchor.*—Typically, ships arrive and are assigned a berth for unloading and loading of cargo; however, in a congestion scenario, ships are directed to anchor off the coast of California. In the Fall of 2021, we averaged more than 100 ships that were loitering/drifted/slow steaming heading to the San Pedro Bay. Of those, the Port of Los Angeles has consistently expected between 40–50 vessels, with an average anchorage time of 20 days. On November 16, the industry moved to a modified queuing system for safety and environmental purposes. This has significantly reduce the number of ship anchor within 40 nautical miles.
- *Rail.*—The time that containers sit, waiting to be loaded on to a train—what we call “rail dwell time”—increased from 2 to 11.8 days. At peak, rail dwell was at 13.2 days in March 2021. Currently, thanks to the work of the Class I railroads, our on-dock rail time to load is now 3 days.

To gain a better handle on the cargo congestion we are experiencing, we have launched several initiatives to deal with the unprecedented volumes, such as:

- *Accelerate Cargo LA.*—In September 2021, after consultation with multiple supply chain stakeholders and the U.S. Department of Transportation, we announced expanded weekend operating gate hours. Dubbed “Accelerate Cargo LA,” the Port of Los Angeles’ program operates on a pilot basis to ensure that gate availability meets cargo demands and provides greater transparency to improve efficiency. We have called on marine terminal operators to incentivize the use of all available gate hours, especially night gates, to reduce congestion and maximize cargo throughput capacity.
- *Cargo Support Facilities.*—Additionally, we have sought cargo support facilities to address the physical space limitations on our marine terminals. The Port of Los Angeles is identifying properties within the port complex that can serve as flex capacity, which will assist with operational challenges such as empty container returns, staging for loaded import containers, and other marine terminal support functions.
- *Port Community System.*—The Port of Los Angeles is the only port in the United States to operate a Port Community System (PCS). While this is a common practice at ports across Asia and Europe, the United States has lagged in its investments in digital infrastructure. A PCS can optimize, manage, and aggregate logistics data allowing for advanced planning and better asset utilization.

Our system, the Port Optimizer, which is a cloud-based platform, collects data from more than 70 sources on vessel arrivals, container availability, marine terminal operating conditions, gate fluidity, and other logistical factors. It provides a single window through which beneficial cargo owners (BCOs), non-vessel owning common carriers (NVOs), and truckers can schedule appointments to take delivery of containers given real-time conditions at the terminals. Additionally, it already shares shipment data provided by carriers to some Federal agencies, such as Customs and Border Protection.

This system is a unique approach to demonstrate the benefits of digitizing maritime shipping data and making it available to cargo owners and supply chain stakeholders through secure, channeled access. Within the last year, we have enhanced the Port Optimizer with several new features:

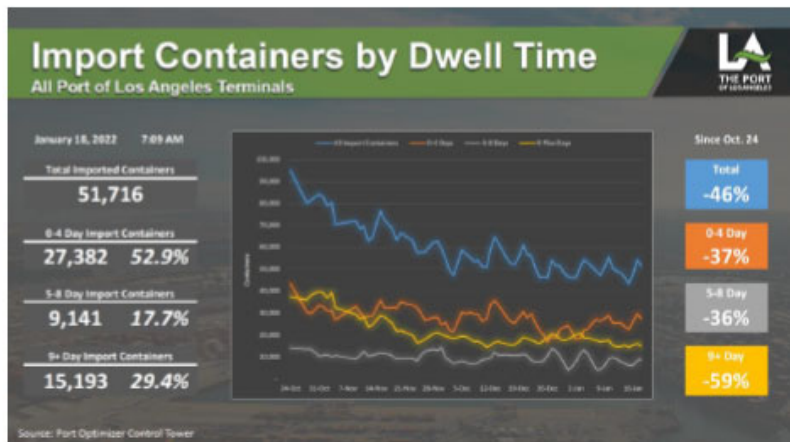
- *The Signal.*—Includes a dashboard view of the total number of shipments expected to arrive in Los Angeles over the following 3 weeks. The data is broken down by container type and includes details on the mode of transportation, whether rail or truck, once it arrives at the port. This planning tool enables stakeholders to have forward visibility and allow them to better utilize their assets and plan for labor, especially during volume surges like we are currently experiencing.
- *The Return Signal.*—A data tool that assists the trucking community to know when and where to return empty containers to cargo terminals throughout the San Pedro Bay Port Complex. The system is user-friendly by simplifying the search feature, providing a filter, and making it customizable for the stakeholder. This can enhance the probability of dual transactions since its data is updated every 5 minutes. Dual transactions occur when a truck driver returns a container or dropping off an export load and picking up a container (either an import or an empty for export load) in one trip.
- *The Control Tower.*—A service and digital tool that provides real-time views of truck turn times at all the port’s cargo terminals, as well as other truck capacity management information, to help cargo owners, truckers, and other

supply chain stakeholders better predict and plan cargo flows. The information is updated continuously with GeoStamp data and broken down by historical daily and monthly averages. It also provides recent and future trending volume data, as well as volumes and trends dating back to 2017, segmented by mode.

- *POLA Horizon*.—The newest addition to the Port Optimizer is a long-term predictive data tool. The new module offers stakeholders the capability to gauge movement of containers—imports, exports, and empties—at the port up to 6 months in advance. Its forecasting technology uses an algorithm based on historical and trending volume data collected by the Port Optimizer. Continually taking into account changing conditions at the port, the algorithm constantly updates cargo volumes, allowing the Horizon to improve forecasting over time and issue 6-month-ahead volume updates every month.

Each of these enhancements provides the supply chain with greater fluidity and resilience, which is critical when confronting disruptions.

- *Container Dwell Time Fees and Empty Container Fees*.—To improve cargo movement amid congestion and record volume, the Ports of Los Angeles and Long Beach announced that it would consider assessing a surcharge to ocean carriers for import containers that dwell on marine terminals, known as the “Container Dwell Time Fee.” The ports would charge ocean carriers for each loaded import container that dwells 9 days or more. After weekly evaluations, the fee has not yet been implemented due to the incredible progress made by cargo owners retrieving their goods. As of January 19, 2022, we have yet to collect \$1 from the fee and the two ports have seen a combined decline of 45 percent in aging cargo on the docks since the program was announced on October 25, 2021. The Port of Los Angeles has delayed enacting the fee on the import containers because import containers dwelling more than 9 days has been reduced by 60 percent since October 24, 2021.



Due to the success of removing older containers from the docks since the Container Dwell Time Fee was announced, there has been an increase of empty containers being returned to terminals and occupying additional space which should be used for moving cargo off newly-arrived vessels. To address this challenge, the port is considering adopting an “Empty Container Fee.” The overall concept was presented to our Board on January 13 and the port continues to work with industry stakeholders to refine the concept so as to avoid unintended consequences.

#### LESSONS LEARNED

The coronavirus pandemic, and the subsequent cargo surge, has underscored the importance of a strong, fluid, efficient, and resilient supply chain. Breakdowns and delays can have catastrophic effects. Consequently, it is imperative that we engage in dialog, like that of this hearing, to learn from our experience. There are three major lessons I would like to share with the subcommittee:

- *Supply chain disruptions are global.*—Since the start of the pandemic, countries around the world have faced similar disruptions we are experiencing here in the United States.
- *Federal support for supply chains must be developed with a solutions-oriented approach and with representation from all stakeholders.*—For instance, the Biden-Harris administration launched the Supply Chain Disruptions Task Force, which included a focus on transportation and logistics bottlenecks to the U.S. economic recovery. After meeting with local government leaders and companies to diagnose the problems and identify solutions, Port Envoy John Porcari was appointed in August to help drive coordination between several key stakeholders. Today, the administration continues to convene with business leaders, port leaders, and union leaders three times a week to discuss the challenges we face across the country. As a result, we have found solutions that are addressing major concerns such as extended gate hours, container dwell time fees, etc.
- *Invest in System Resiliency and Adaptability.*—The recently-passed Infrastructure Investment and Jobs Act (IIJA) represents an opportunity to build resiliency and adaptability into our goods movement system. Based on our recent experience with supply chain disruption, we have identified the following key investment areas:
  - *Workforce Resiliency.*—Supply chain workers are essential workers. Ensuring an adequate supply of trained workers across the goods movement system is fundamental to system resiliency. Therefore, we have requested support for a Goods Movement Workforce Training Campus on Port of Los Angeles land. With a project cost of approximately \$150 million, the facility will be the first training campus in the United States dedicated to the goods movement industry. It is designed to attract new workers, address skill shortages, and provide opportunities for workforce up-skilling or re-skilling to help alleviate the workforce shortages contributing to the current supply chain disruption as well as address the rapidly-changing needs of the industry. It will also be built with an eye toward a greener future and will be a resource for workers in the industry to train on zero emission (ZE) technologies.
  - *System Resiliency.*—Cargo support facilities are necessary to assist with operational challenges facing our marine terminals. Over the long term, we recommend permanent activation of an 80-acre site on Terminal Island to serve this purpose. To that end, we have requested support for a grade separation project with an estimated project cost of \$50 million that will provide unimpeded access to an 80-acre site on Terminal Island. Currently, the site is enclosed by a loop of active and heavily-used rail tracks limiting accessibility by truck or other equipment. Grade separation will open unimpeded access to this site and enable its use as a flex capacity space to assist with future cargo surges.
  - *Reducing Environmental Impacts on Surrounding Communities.*—Supply chain disruption and inefficiency lead to higher emissions of greenhouse gases and criteria pollutants, which is why solutions found in the Climate Smart Ports Act are important. Under our Clean Air Action Plan (CAAP), we have set a goal of achieving a 100 percent ZE trucks by 2035 and 100 percent ZE cargo handling equipment by 2030. Currently, we are developing a first-in-the-Nation program to deploy ZE trucks in the near-term to handle cargo movement to destinations within a 25-mile radius. This will accelerate development and wide-spread adoption of ZE port trucks and concentrate air quality benefits in those impacted communities along major freight routes. We intend to support this program with port funds and ask you to consider partnering with us to fund ZE truck deployment and supporting infrastructure.
  - *Visibility and Supply Chain Optimization.*—As we continue to meet with supply chain users and service providers, one consistent message is the need for timely and uniform sharing of information across the supply chain. Ports in the United States remain behind their international peers in this regard. We support continued implementation of supply chain digitalization and interoperability. At the Port of Los Angeles, we are investing in this critical technology through our Port Optimizer system. The Port Optimizer digitizes maritime shipping data for cargo owners and supply chain stakeholders to improve system efficiency. It helps cargo owners bring their goods to market in a more predictable and timely manner. Expanding the use of the Port Optimizer within the Port of Los Angeles—and elsewhere—will provide real-time visibility and information to supply chain stakeholders as they seek to address the current backlogs.

- *Cyber Security Enhancement.*—Greater reliance on digital infrastructure mandates that we enhance cybersecurity. Our objective is to move cargo uninterrupted and efficiently as possible. Recent events have underscored that our Nation is susceptible to crippling cyber attacks on our critical infrastructure. As the subcommittee knows through its oversight work, the Port of Los Angeles has launched its own Cyber Resilience Center (CRC). Developed in collaboration with our industry stakeholders, the CRC will enable port community cyber defense and serve as an information resource to assist in restoring operations following an attack. This center will allow for limited but vital information sharing for terminal stakeholders and is something that the port believes will be instrumental to remain operational as cyber attacks become more prevalent on global supply chain infrastructure.

With that, I will conclude my remarks and I would be happy to address any questions. Thanks again for this opportunity.

Ms. BARRAGÁN. Fantastic. Thank you so much for your testimony and for everybody's indulgence on—I will try to give equal time to everybody.

I would now like to recognize Ms. Vick to summarize your statement for 5 minutes.

**STATEMENT OF CATHIE J. VICK, CHIEF DEVELOPMENT AND GOVERNMENT AFFAIRS OFFICER, PORT OF VIRGINIA, VIRGINIA PORT AUTHORITY**

Ms. VICK. Good afternoon. Thank you, Chairwoman Barragán, and Ranking Member Higgins, and other esteemed colleagues and Members of the subcommittee and committee. Thank you, Representative Luria, for the kind introduction, not just of me, Cathy Vick, the chief development and public affairs officers, but of the Port of Virginia, which is the fifth-largest and one of the fastest-growing ports in our country, extending our reach all the way into the Ohio Valley and Midwest, really being a gateway of international trade with the largest rail volumes on the East Coast, serving farmers and manufacturers throughout our heartland.

Twenty-twenty-one was certainly our most productive year as the supply chain congestion has shown. We are moving more cargo than ever before. We processed 3.5 million TEUs last year, which is a 25 percent increase over 2020. The increased volume represented all categories, including loaded exports, and we handled these record volumes without congestion at our berth our our gates. We have no ships waiting at anchor and our truck turn times have remained consistently under 50 minutes.

Over the last 5 years we have invested more than \$800 million to add 1 million containers of annual capacity to our terminals, which certainly help us be prepared for this surge in cargo. We have also, in partnership with the Army Corps of Engineers, started dredging a deepening and widening of our navigation channels. As mentioned by Representative Luria, the Federal Government is partnering with us and had an announcement today related to that.

In addition we have the advantage of what we call the “Virginia model” where we have one single terminal operator and owner that keeps us agile and flexible in the way that we can show measurable results to our cargo owners and our ocean carriers when they are facing delays or challenges. We are not beholden to any particular economic interest or level of profit and we can be flexible in our operations to accommodate our customers as needed.



The past 2 years haven't been without our challenges though. As mentioned by the other colleagues, COVID-19 has certainly affected our work force, but we have been able to overcome those challenges and keep our focus on delivering best-in-class performance with solid efficiency, customer service, and that record amount of cargo. What the pandemic has revealed to us, as we saw the cascade across the global supply chain, is that we really need to keep a focused laser focus on supply chain and how essential it is to the Nation's economic success and security, making it a key Federal policy and funding priority with the ports at the keystone of that supply chain. We appreciate the efforts that you all have done, especially with the passage of the Infrastructure Act. I think we will continue to see the fruits of that as we move forward.

Looking at cybersecurity, as you can imagine, as we have introduced more technology and more efficiencies, cybersecurity becomes even more of a threat and one of our highest priorities. We are the most technologically advanced port in the United States and it allows us to maximize our land use efficiency and better handle these surges of cargo that we have been seeing. It also allows us to plan our operations in advance and move containers to the optimal position within the yard to facilitate the exchanges to and from the vessels, the rail, and the trucks. Given our reliance on technology, we do a lot to protect ourselves. We participate in a number of advance cybersecurity programs and have close working relationships with the United States Coast Guard, CBP, and the FBI. Collaboration among Federal agencies and industry helps us all fulfill our mission and stay safe.

Shifting to CBP staffing and facilities, we share a lot of the same concerns as touched on by Mr. Connor. We have participated in the 559 Reimbursable Services Program. Originally in 2015 we were paying \$1.5 million annually. It was supposed to be on a temporary basis. Nearly 7 years later we are still continuing to pay \$750,000 annually with no end in sight.

When it comes to facilities, again those same concerns as Mr. Connor. Specifically, we have been presented with demands not only for space, but for equipment, system upgrades, and then maintenance costs for those system upgrades, a lot of times without advance notice and with a threat that there will be service disruptions and degradation if we do not do it, even though there was no input and no capital planning during our budgeting process.

So thank you again for the opportunity to testify and share our perspective. Happy to answer any questions that you all have from the committee. Again, really appreciate your support and the opportunity to share with you the challenges that we are facing and how we can work together to solve them.

Thank you.

[The prepared statement of Ms. Vick follows:]

PREPARED STATEMENT OF CATHIE J. VICK

JANUARY 19, 2022

INTRODUCTION

Good afternoon Chairman Thompson, Ranking Member Katko, Chairwoman Barragán, Ranking Member Higgins, and Members of the subcommittee. Thank you for the invitation to testify at this hearing.

I am Cathie Vick, chief development and public affairs officer of The Port of Virginia. The Port of Virginia is fifth-largest and one of the fastest-growing ports in the country. Annually, The Port of Virginia is responsible for more than 400,000 jobs and \$100 billion in spending across Virginia and contributes more than \$47 billion to the Commonwealth's Gross State Product. The port's reach also extends throughout the Mid-Atlantic and into the Ohio Valley and Midwest, handling the largest rail volume on the East Coast and serving American farmers and manufacturers throughout the heartland of our Nation. Of equal importance, Virginia is one of the Nation's 17 strategic ports, handles more military support cargo than any port in the United States, and is home to the U.S. Navy's Atlantic fleet—the only nuclear-carrier-capable port facility on the East Coast.

#### SUPPLY CHAIN PERFORMANCE

Last week we announced that 2021 was our most productive calendar year on record having processed more than 3.5 million TEUs (20-foot equivalent units). This represents a 25 percent increase over 2020, making Virginia the fastest-growing major container port in the country. The increased volume was represented across all categories including loaded exports, and we handled these record volumes without congestion at our berths or gates. We have no ships waiting at anchor, and our truck turn times have remained consistently under 50 minutes.

Over the last 5 years, more than \$800 million has been invested at the port to add 1 million containers of annual capacity to our terminals. At the same time, in partnership with the U.S. Army Corps of Engineers, dredging is under way to deepen and widen our navigation channel to allow two-way flow of ultra-large container vessels, unrestricted by tide or channel width. Upon completion, we will have the deepest channels on the U.S. East Coast at 55 feet deep and eliminate navigation restrictions on both commercial and military vessels.

In addition, the advantage of the Virginia Model—where we have a single terminal owner and operator across our 4 deep-water, multi-purpose cargo terminals and 2 inland terminals—keeps the port agile and provides measurable results to ocean carriers and cargo owners that are facing congestion and delays elsewhere. We own the terminals, and our operating company runs them. This is an important advantage because we are not beholden to multiple economic interests, especially when we need to be flexible in our operations to accommodate our customers and growing cargo volumes. The Hampton Roads Chassis Pool (HRCPII) is a great example of the advantages of being an owner-operator. We own and operate HRCPII and as a result, we can make decisions and take quick action to ensure we have an ample supply of chassis.

#### COVID-19

The past 2 years have not been without challenges, however we kept our focus and delivered a best-in-class performance with solid efficiency, customer service, and a record amount of cargo. It was truly collaborative effort between our entire team and all of our partners—including Federal agencies and of specific relevance to this committee the United States Coast Guard (USCG), Customs and Border Protection (CBP), and the Federal Emergency Management Agency (FEMA).

Early in the pandemic, we established the COVID-19 Critical Cargo Initiative to identify critical import cargo needed in the effort to fight COVID-19 (including personal protective equipment (PPE) for the medical industry [face shields, gowns, gloves], test kits, virus-critical shipments like hand sanitizer, and raw materials going into PPE production) moving through Virginia, and allocated the equipment and personnel needed to get the container moving to its destination as fast as possible (often times in less than 1 hour after the ship docked).

The pandemic has revealed what those of us in the industry already knew: That supply chains are essential to our Nation's economic success and security. Protection of our supply chains must necessarily be a key Federal policy and funding priority, and ports are the keystone to the supply chain.

We are grateful for the \$4.4 million in reimbursements FEMA has approved to date as we have implemented robust measures to keep our colleagues, labor partners, motor carriers, and customers safe and healthy while we remained open throughout this pandemic.

#### CYBERSECURITY

Beyond the pandemic, cybersecurity remains a constant threat and one of our highest priorities. The Port of Virginia is the most technologically advanced port in the United States. This technology allows us to maximize our land use efficiency—20 to 30 percent better usage than a conventional container terminal—and better

handle surges in cargo volumes. Our technology also allows us to plan operations in advance and move containers to an optimal position to facilitate exchanges to and from vessels, rail, and trucks. We have implemented this technology in partnership with the International Longshoremen's Association (ILA). We have had no net loss of jobs; as positions have been eliminated those individuals have been retrained into new and better jobs. This has also resulted in a safer and more comfortable working environment.

Given our reliance on technology, we do a lot to protect ourselves. In addition to our internal efforts, we have participated in a number of advanced cybersecurity programs and have close working relationships with the USCG, CBP, and Federal Bureau of Investigation (FBI). These include being the maritime test case for the Principles-based Assessment for Cybersecurity Toolkit (PACT) project conducted by Naval Sea Systems Command (NAVSEA) and Indiana University Center for Applied Cybersecurity and supporting maritime sector technology exchanges with key Government groups like the National Security Agency (NSA) and U.S. Cyber Command. Collaboration amongst Federal agencies and industry will help those agencies fulfill their missions and keep us all safer.

But we know more can be done. Ports are critical infrastructure, yet Federal agencies are slow to share information and actionable intelligence with us directly or through industry sharing and analysis groups in a timely manner. We need our Federal partners to actively engage and provide two-way communication in order to allow us to prepare for and respond to threats and prevent any compromise of our systems.

We recently received a FEMA Port Security Grant to establish a Cyber Security Operations Center. The design and implementation are being done in a manner so as to make it a template for other ports and provide working space for other Government agencies to occupy in case of an event. Despite our success with this grant, Federal funding often does not seem to recognize the nature of technology dependence and rather allocates money based on criteria other than risk and need.

#### CBP STAFFING

Traditional threats remain as well, and CBP is on the front line of protecting our Nation's trade and economic prosperity. Ensuring that the hiring and allocation of CBP officers and agricultural specialists keeps up with the growth in trade is essential to avoiding unnecessary delays to our supply chain. In Virginia we have benefited from two initiatives to alleviate staffing shortages: Veterans Hiring and 559 Reimbursable Services.

The Veterans Hiring program has allowed our local CBP Area Office to hire qualified, transitioning military members through an expedited process and keep those officers in the local area where they have already established roots. This is a win-win for the agency and the officer by recruiting from a well-qualified talent pool, maintaining local CBP staffing ahead of the rate of attrition, and allowing officers to remain in an area they know and enjoy.

The 559 Reimbursable Services program additionally has allowed us to pay for CBP officers' overtime at our facilities. We originally entered into the 559 agreement in 2015 prior to the expansion at our facilities when volumes dictated that we operate extended gate hours—as long as 21 hours per day. At its peak, we were paying \$1.5 million annually. However, nearly 7 years later, we continue to pay more than \$750,000 annually, and it remains unclear when or how what was designed to be a temporary supplement becomes established as part of the baseline workload for CBP and incorporated into their staff and allocation model.

American businesses already pay Customs duties and fees in conjunction with these services, and while we are fortunate to have the financial wherewithal to absorb these costs, others are not as fortunate, creating disparity and inequity, and the supply chain suffers. This is not a sustainable model for ports or for CBP officers where the additional hours risk burn-out.

Ensuring the consistent use of best practices nationally—like remote and on-site inspections—could also increase efficiency and alleviate some of the staffing pressures.

#### CBP FACILITIES

CBP also needs adequate facilities and equipment to perform its mission. While CBP's authority to require free space from ports is clear, in recent years, CBP's demands in this area have increased significantly. Specifically, we have been presented with demands not only for space but to pay for CBP equipment and systems. These demands often exceed 6 figures and come without notice or discretion. We do not have the opportunity to review or negotiate the need; the demands are not co-

ordinated with our capital budget timing or processes; and we have no discretion in how to fulfill the needs. We do not begrudge CBP for the equipment and systems requirements, but these need to be addressed within the agency's budget and not foisted upon industry. We encourage this committee and Congress as a whole to exercise oversight in this area to ensure CBP operates within its authority; to clarify that authority if necessary; to properly identify the facilities, equipment, and systems required for CBP to perform its mission; and to provide the resources for those needs through the annual Appropriations process.

CONCLUSION

Thank you again for the opportunity to testify and share The Port of Virginia's perspective as you assess the state of America's ports. I appreciate the work of this committee to ensure the continued protection of our ports and supply chains and look forward to working with you, your colleagues, and our Federal agency partners to continue to deliver—and exceed—the service our customers and cargo owners expect and deserve. Safe, secure, and fluid ports are essential to our Nation's economic success and security.

Ms. BARRAGÁN. Thank you, Ms. Vick, for your testimony.

I now recognize Mr. Self to summarize your statement for 5 minutes.

Mr. Self.

**STATEMENT OF RICHERT L. SELF, EXECUTIVE DIRECTOR,  
PORT OF LAKE CHARLES**

Mr. SELF. Good afternoon, Chair Barragán, Ranking Member Higgins, and distinguished Members of the subcommittee. Thank you for this opportunity to speak to you today regarding the current state of the Port of Lake Charles, including impacts since 2020 from COVID-19 to two devastating hurricanes here in southwest Louisiana.

As Ranking Member Higgins said, I am the executive director of the Port of Lake Charles. I was born and raised here in Lake Charles, and except for about a 4-year stint where I attended graduate school in New Orleans, I have lived here my entire life. I joined the port in 2003 as director of administration and finance and was promoted to deputy executive director in 2017. Just before the hurricanes hit, in 2020 I was hired as executive director.

We are the 14th-busiest port district in America. Twenty-twenty-two marks the 95th year of the Calcasieu Ship Channel as a global shipping destination. America depends on Lake Charles, Louisiana more than it realizes. The Port of Lake Charles and the Calcasieu Ship Channel that connects to the Gulf of Mexico, are referred to as "America's energy corridor". Our port and our city support energy in three ways.

First, our region is a National leader in oil and gas, exploration, drilling, and refining gasoline to creating other petroleum products. The Port of Lake Charles supports the full spectrum of the industry. Second, southwest Louisiana is a leader in moving liquefied natural gas all over the gas. LNG terminals operate at world-class levels here and the sector continues to grow. Those terminals are built on land leased from the port and they rely on the services provided by the port and our private-sector partners. Finally, our port is an emerging natural pathway for wind energy components. In just 2 years we have moved more than 1,500 wind components. We unload them from vessels and rail and to wind farms across America. We are also pursuing offshore wind initiatives as a potential manufacturer of the components and to provide a terminal to

marshal the components onto vessels to be installed in the Gulf and along the East Coast. In doing this we will meet the growing need for green energy choices.

As you can see, the Port of Lake Charles serves everything from traditional fossil fuels to the newest in renewable energy technological. That is what makes us American's energy corridor and that is why the Nation depends on us. What we do affects the pocket-books of your constituents. What they pay at the pump for gasoline, the cost for their supply of lumber for home improvement, whether it is for, you know, home improvement Nation-wide or disaster repairs along the Gulf Coast.

The past 2 years have brought unprecedented challenge to our area. The effects of COVID-19 severely impacted our tonnage and related revenues. Our operating revenues declined by more than \$5 million during COVID-19 in 2020 and the impacts actually continue to be felt in 2022.

These issues were compounded by the strongest hurricane in our region's recorded history. Hurricane Laura hit in August 2020 and 2 months later we were hit by Hurricane Delta, leaving our port in southwest Louisiana with unprecedented damage. Entire portions of our complex were decimated. The damage to the port is estimated at \$241 million dollars and counting. We lost three custom ship loaders and two custom ship unloaders. Not only are they very expensive, but they require a long lead time. We are able to load ships using ships gear and a mobile harbor crane, but the operating costs were significantly higher than pre-hurricane levels.

We also lost 85 percent of our covered storage and are utilizing temporary tension fabric buildings to fill that void. Without these facilities becoming operational, cargo owners will incur additional costs, the port will potentially lose the cargo, and area industries, local labor, and the farming community will be devastated.

What has truly hampered our recovery though is the lack of Federal disaster relief. Beyond FEMA assistance and Federal COVID relief, although we received funding from various COVID relief bills, it has not nearly been enough related to the devastation from the hurricanes. Although Congress did pass a supplemental bill in September to finally address some of the pressing needs from the hurricanes and other disasters from 2020, it has not been enough.

Please help southwest Louisiana. We need your help by providing additional disaster recovery funds.

I appreciate the opportunity you have given me to explain our port and southwest Louisiana's industrial complex as a whole and the fact that we are an economic background of America. We are not just some place that is far away that had a bad year that needs money. We are doing America's heavy lifting. America needs us, your constituents need us. Please help us convince your colleagues on Capitol Hill of the immediate and overdue need and help we need.

Thank you.

[The prepared statement of Mr. Self follows:]

## PREPARED STATEMENT OF RICHERT L. SELF

JANUARY 19, 2022

Good morning Chair Barragán, Ranking Member Higgins, and distinguished Members of the subcommittee, thank you for this opportunity to speak with you today regarding the current state of the Port of Lake Charles, including impacts since 2020 from COVID to devastating hurricanes.

I am the executive director of the Port of Lake Charles in Louisiana. I was born and raised in Lake Charles and, except for a 4-year stint of working and going to graduate school in New Orleans, I have lived here my whole life. I have a Master's in Business Administration, I am a certified public accountant and am a professional port manager. I joined the port in 2003 as the director of administration and finance, was promoted to deputy executive director in 2017 and was hired as the executive director in 2020.

We are the 14th-busiest port district in America. 2022 marks the 95th anniversary of the Calcasieu Ship Channel as a global shipping destination.

America depends on Lake Charles, Louisiana more than it realizes. The Port of Lake Charles, and the Calcasieu Ship Channel that connects to the Gulf of Mexico, are referred to as "America's Energy Corridor."

Our port, and our city, support energy in three ways:

- First, our region is a National leader in oil and gas. From exploration, drilling, and refining gasoline to creating other petrochemical products. The Port of Lake Charles supports the full spectrum of the industry.
- Second, the Lake Charles area is a leader in moving LNG all over the globe. Liquefied natural gas terminals operate at world-class levels here, and the sector is growing. Those terminals are built on land leased from our port, and they rely on the services provided by the port and our private-sector partners.
- Finally, our port is an emerging National pathway for wind power components. In just 2 years, we have moved more than 1,500 wind components. We unload them from vessels and rail them to wind farms across America.

We are also pursuing gulf offshore wind initiatives as a potential manufacturer of the components and to provide a terminal to marshal the components onto vessels to be installed in the Gulf. In doing this, we will meet the growing need for green energy choices.

As you can see, the Port of Lake Charles serves everything from traditional fossil fuels to the newest in renewable-energy technologies.

That's what makes us America's Energy Corridor.

And that's why the Nation depends on us.

What we do affects the pocketbooks of your own constituents:

- The price they pay at the pump for gasoline,
- Their supply of lumber—for the home improvement Nation-wide, and for disaster repairs and reconstruction along the Gulf Coast.

The past 2 years have brought unprecedented challenges.

The effects of COVID-19 severely impacted our tonnage and related revenues. Our operating revenues declined by nearly \$5 million due to COVID in 2020 and the impacts continued to be felt in 2021. These issues were compounded by the strongest hurricane in our region's recorded history—Hurricane Laura, in August 2020 and 2 months later Hurricane Delta hit—leaving our port, and our region, with unprecedented damage. Entire portions of our complex were decimated. The damage to the port is estimated at \$241 million . . . and counting. We lost 3 custom ship loaders and 2 custom ship unloaders. Not only are they very expensive, but they require a long lead time. We are able to load ships and unload using ships' gear and a mobile harbor crane, but the operating costs are significantly higher than pre-hurricane levels. We also lost 85 percent of our covered storage at City Docks and will be utilizing temporary tension fabric buildings for storage to fill the void until we able to replace the damaged structures.

Without these facilities becoming operational, cargo owners will incur additional costs, the port will potentially lose the cargoes and area industries, local labor, and the local farming community will be devastated.

What has truly hampered our recovery, however, is this:

The lack of Federal disaster relief, beyond FEMA assistance and Federal COVID relief. Although we received funding from the various COVID relief bills, it has not nearly been enough to deal with the devastation from the hurricanes. Although Congress did pass a supplemental bill in September to finally address some of the pressing needs from the hurricanes and other disasters from 2020, it is simply not enough. Please help SWLA, we need your help by providing additional disaster recovery funding.

I appreciate the opportunity you've given me to explain why our port, and the Lake Charles industrial complex as a whole, are an economic backbone of America.

We are not just some place that's far away, that had a bad year, that needs money.

We do America's heavy lifting. America needs us. Your constituents need us.

Please help convince your colleagues on Capitol Hill of the immediate and overdue help we need.

Thank you.

Ms. BARRAGÁN. Thank you, Mr. Self. I want to thank all the witnesses for their testimony.

I will remind the subcommittee that we will each have 5 minutes to question the panel.

Without objection, Members not on the subcommittee shall be permitted to sit and question the witnesses.

I will now recognize myself for 5 minutes.

This question is for everybody who represents a port. For nearly 2 years our country has been battling the COVID-19 pandemic, which has affected all parts of our lives. Workers at seaports have continued to show up and work in person despite the risk.

I would appreciate hearing from each of the seaports on the actions they have taken to protect these front-line workers from COVID-19 and if additional support is needed from the Federal Government in this effort.

Why don't we start with you, Mr. Seroka?

Mr. SEROKA. Thank you, Chairwoman.

Beginning early last year Los Angeles mayor, Eric Garcetti, appointed me concurrently with my job as port director to become the city's first-ever chief logistics officer here in Los Angeles. Since that beginning, we have ushered more than 10.5 million units of personal protective equipment to more than 250 Los Angeles area hospitals, health care facilities, and labor ranging from the folks that work on our docks at longshore, to truckers, warehouse workers, and farmers through the central valley in California. We quickly thereafter, under the direction of Mayor Garcetti and California Governor Gavin Newsom, set up testing at our longshore hall and other locations, including the international cruise facility in Los Angeles, for longshore dock workers, truckers, and others, including families and community members. We then jumped into action as early as February 2021 with vaccinations, and combined with our neighbors in Long Beach and the Long Beach Health Department, have vaccinated more than 5,000 land-based workers. And the International Seafarers Association has gone on-board vessels to vaccinate crew members from across the world.

There is much more work to do, as evidenced by Long Beach and Los Angeles again this week partnering to ramp up testing at our longshore dispatch hall 5 days per week with the Omicron variant continuing to permeate our work force.

Again, a lot ahead of us. Very proud of what we have done. More work to do in combination with the Federal, State, and local authorities.

Ms. BARRAGÁN. Thank you.

Ms. VICK, how about you? Then we will go to Mr. Self.

Ms. VICK. Thank you, Chairwoman Barragán.

Similarly to Mr. Seroka, we were able to gain access to early vaccinations through our local health department. Although the State

classified our workers to come much later, the local health department set up dedicated vaccine sites for our workers, which we were also able to extend to our CBP and MARAD partners that are in this area.

In addition to some of the other things that Mr. Seroka talked about, we also put in enhanced cleanings at all of our facilities, we rented additional equipment so that each person was able to be in their own dedicated equipment, not ride with another colleague or use the same equipment as someone else in the shift before. We also were able to reduce the capacity of all of our conference rooms, let some of our admin folks telework as needed. Because of our technology, you know, a lot of our operators are actually inside because we are semi-automated, so the operators are remote. We were able to space their work stations so that they were more than 6 feet apart by using conference rooms as dedicated work spaces instead of having them so close together, particularly our checkers. So it extended to our ILA partners and our management.

We really are appreciative of FEMA for the reimbursement program. We have been able to receive Federal assistance in just over \$4 million to help with some of these measures.

So thank you very much.

Ms. BARRAGÁN. Thank you.

Anybody else want to chime in? Mr. Self, did you want to say anything?

Mr. SELF. Oh, sure. I will just point out that similar to my colleagues, the Port of Lake Charles continued to operate throughout the COVID-19 pandemic. We utilized enhanced screening methods, we wore masks, we did telework when necessary, and we had employees that worked inside their offices with closed doors.

Ms. BARRAGÁN. Great. Thank you.

I am going to go onto the next question because I have about 30 seconds left.

Mr. Seroka, I understand the Port of Los Angeles has a dedicated operations center that is dedicated to combatting cyber threats to cargo flow. How has this operation been beneficial to the port? Do you recommend that ports establish similar cyber operations centers? How would they do that?

Mr. SEROKA. Yes, there are two areas here, Chairwoman. No. 1 is we created the Nation's first cybersecurity operations center at the Port of Los Angeles in September 2014 with a dedicated grant from the Department of Homeland Security. Just last December, to up our game and bring the private sector into play on cyber protection, we created one of the first cyber resilience centers. Having more now than 40 members in both the public and private sector, it is an FBI-driven neighborhood cyberhood watch program to again protect us, defense, and share information under a cloak of anonymity so no one is put into a bad position commercially.

Ms. BARRAGÁN. Well, thank you.

My time has expired and I will now yield to Mr. Higgins, our Ranking Member, for your 5 minutes.

Mr. HIGGINS. Thank you, Madam Chair.

Director Self, I am going to have a couple of yes or no questions for you, sir, and then I am going to ask you to expound upon an inquiry that I would like you to share with America.



First, for all that you do on behalf of the Port of Lake Charles, I thank you, sir. The port is just an incredibly significant hub of economic prosperity and growth. I have been there many times. I fully support the work you do. The men and women there are amazing. Thank you for your dedication.

As a representative of the Lake Charles Port, a significant energy exporting port, including traditional oil and gas products, liquefied natural gas, and wind energy components, would you agree that the Lake Charles Port supports an all-of-the-above American produced energy policy?

Mr. SELF. Yes, I would.

Mr. HIGGINS. Thank you.

Would you agree that having your port fully operational allows the United States to be more self-sufficient, which bolsters our National security while at the same time provides robust economic opportunity for businesses across Louisiana and indeed the Nation? Would you concur with that?

Mr. SELF. Absolutely.

Mr. HIGGINS. OK. So let us talk about getting the Port of Lake Charles fully operational. The port and the Calcasieu Ship Channel \$39 billion to the United States' gross domestic product and two-thirds of the GDP of Calcasieu and Cameron Parishes. However, a non-operational or damaged port can certainly hurt a community and greatly restrict our National supply chain. The Port of Lake Charles and southwest Louisiana as a whole were devastated by two hurricanes in 2020. Well over a year later you are still waiting on disaster reimbursements through FEMA.

Would you concur with what I just stated?

Mr. SELF. Yes, I would. Thank you.

Mr. HIGGINS. OK. My office has written countless letters, we have urged within the parameters of Congressional gentlemanly constraint, and we have also done some door-kicking and had some very animated conversations with our colleagues over at FEMA encouraging them to act upon the existing applications that the Port of Lake Charles and other of our constituents that have been impacted by the storms of the 2020 hurricane season that still languish, just to have their applications processed.

Can you provide for my office and for this committee, so that I can share with my colleagues across the aisle, who care deeply by the way, that we fix this thing. Both sides of the aisle, Republicans and Democrats, we want the Federal Government to perform, especially when it comes to disaster recovery. We are all subject to it, we stand shoulder to shoulder as just solid American citizens to overcome the bureaucratic intractable tendencies that we sometimes face.

So can you provide specific examples of Federal resources that have been held up and delayed by FEMA?

Mr. SELF. Sure, Congressman Higgins.

I mean we have spent so far over \$25 million in hurricane-related FEMA projects from Hurricane Laura and Hurricane Delta. To date, we have received right at \$1.1 million of the FEMA portion of that. So obviously, you know, we are not—you know, we are not the biggest port in the United States, so we are funding that out of our cash reserves, which we—

Mr. HIGGINS. All right, let me just—in the interest of time, let me just ask you to clarify for America watching and for my colleagues on the committee here, the Port of Lake Charles is very squared away. My interactions, you guys are professional. So would you—your assessment of your applications for those reimbursement fundings, \$25 million, would you say that you have done your part and you are waiting on—

Mr. SELF. Absolutely.

Mr. HIGGINS [continuing]. Federal Government and FEMA to comply and perform?

Mr. SELF. Absolutely.

Mr. HIGGINS. Well, I ask the good Chairwoman, who is a leader that I admire and fully support, madam, I ask that we take this under advisement and look at these examples that Director Self will provide and let us try and let us kick a door together over at FEMA, shall we?

I yield. Thank you, madam.

Ms. BARRAGÁN. I am happy to work with you in taking a look at it and seeing what can be done. Thank you, Mr. Ranking Member, and thank you, Mr. Self, for your testimony.

I am going to continue to recognize Members for questions under the 5-minute rule. I will alternate between the Majority and the Minority staff. Staff has given me an order of the Members. If there is time, a second round of questions may occur once all Members have had the opportunity to question the witnesses.

With that, our next Member up is Representative Lou Correa from California. You are now recognized for your 5 minutes.

Mr. CORREA. Thank you, Madam Chair Barragán, for holding this very critical hearing. Mr. Higgins, listening to your comments, I agree with you, this is not a Democrat or Republican issue, this is an issue of National security and of National interest.

I only have 5 minutes so I am going to try to be quick here.

Mr. Seroka, first of all, thank you for hosting myself and Congress Members as we have toured your port there to make sure we could work, we could make sure that you were up and running. My question to you is of course related to National security. We saw the Suez Canal and what happened there in late March. An accident that really just bottled up that whole area of the world. Texas Colonial Pipeline, that was essentially a cyber attack. As we say, a chain is only strong as the weakest link. Have you done enough, have we done enough to make sure your partners, private and public, are up to scruff, are essentially employing the best practices to make sure their cybersecurity is the best it can be?

Mr. SEROKA. Thank you, Congressman. Good to see you.

It is an on-going process led by our head of public safety, Port Police Chief Tom Gazsi, across Federal, State, and local allied agencies. But I will say this, that the cybersecurity operations center installed here at the Port of Los Angeles in September 2014 is now thwarting and stopping 40 million cyber intrusion attempts per month. That is double the success rate of where we were before COVID-19 doubled the activity. The introduction of the CRC, or Cyber Resilience Center, is another move in that direction. We still have a long way to go. We perform table-top exercises on a regular basis with private and public sector allies alike. We know that we

are only as good as the information we share across these industry verticals and sectors to make sure that we understand what is coming, what has been seen, and how we can protect ourselves. We need to keep this front and center every day. We will not rest until we continue to see progress. Very important area of our—

Mr. CORREA. Sir, another question. Mr. Seroka, the Port of Long Beach and Los Angeles account for 40 percent of U.S.-bound imports. You said that. Last you had both of these ports announce a container dwelling fee to hold retailers accountable and make sure that they picked up and returned cargo containers at sea. The Port of Los Angeles saw a 50 percent decline in these containers since announcing the new surcharge in October, yet the fee has been extended. Is this fee policy working? Is it not? Help me out. Myself—saw those containers stacked up to the heavens when we were there a couple of months ago. Tell me.

Mr. SEROKA. Yes, it is working, Congressman, for a number of reasons.

No. 1 are the data insights we get from this Nation's first port community system. Being able to see around corners, bottlenecks before they start, and how we can address them. We noticed early on that with the confluence of cargo coming in seasonally, perishables as well as retail cargo being pulled forward for the year-end holidays, we were hit with so much product coming in at one time that it was no longer ordered just in time, it was ordered just in case. The entire supply chain is off-kilter and remains that way based mainly on the strength of the American consumer buying patterns and they are helping us get to the other side of COVID-19 economically.

So we have to continue to flex. What we saw was cargo piling up on our docks, some advantageous contracts that allowed for that extra storage time. What we attempted to do was not point fingers or publicly shame anybody, but if you didn't need your product to market, move it aside for right now. The threat of a penalty was enacted but never collected. Those aging containers have been depleted by 61 percent as of this morning.

It allowed us to get key medical products to market when they needed to, parts and components to U.S. factories as they continued to increase output and holiday goods to markets—

Mr. CORREA. Let me interrupt you, sir. Bottlenecks. We are trying to fix it, we are trying to get those bottlenecks, you know, cleared up from our ports. Our partners overseas—right now very few of our cargo containers are actually inspected. You have got good partners overseas. Can we continue to count on them to make sure that only good stuff arrives at our U.S. ports and we don't have to turn around and implement some, you know, policies that would slow down commerce in the United States?

Mr. SEROKA. When I was in the private sector, Congressman, as you remember, my company was part of the founding group of the Customs Trade Partnership Against Terrorism. It has been extremely effective since the tragic events of 9/11. We need to continue to expand and go upstream with the evaluation of supply chain partners to make sure that they are truly vetted and we understand what is coming across the seas on our vessel.

The Port Optimizer does just that with our great partnership with CBP to make sure that we are applying the 24-hour manifest rule and knowing, seeing, and having visible the cargo that are on those ships.

Mr. CORREA. So, Mr. Seroka, I just want to make sure that you state for the public watching this hearing today, and for us policy makers, that your partnership, private and public sector, CBP, and others are working and are being effective to make sure that nothing but good stuff is coming into our ports of the United States.

Mr. SEROKA. That is absolutely correct. When it is not, we jump into action immediately.

Mr. CORREA. Thank you very much.

Madam Chair, I yield the rest of my time, if there is any left.

Thank you very much.

Ms. BARRAGÁN. There was no time, but thank you for yielding back, Mr. Correa, from California.

Next I will move to Representative Guest, the gentleman from Mississippi. You are next for your 5 minutes.

Mr. GUEST. Thank you, Madam Chairman.

Mr. Reardon, in your written testimony, on page 9, you talked about CBP's Office of Field Operations. That it is the premier DHS component tasked with stemming the Nation's opioid epidemic, a crisis that continues to get worse. You go on to say on a typical day the agency makes over 900 arrests and seizes more than 9,000 pounds of illegal drugs. You talked about statistics. You say CBP's officials recently testified that seizures of fentanyl at the port of entry increased from 2,579 pounds in fiscal year 2019 to 3,967 pounds in fiscal year 2020, an increase of 54 percent. You go onto say that for the comparative time frame of physical year 2020 and 2021, October to March for both years, that the amount seized were 1,079 pounds in 2020 and 5,048 in 2021, an increase of over 300 percent.

Then you go on in the next paragraph to talk about some of the significant narcotic seizures that we have seen over the last several years at some of our seaports. You talked about February 2019 in New York and New Jersey, the seizure of 3,200 pounds of cocaine. You talk about in March 2019 in the Port of Philadelphia, the seizure of 1,185 pounds of cocaine. Then you mention that in June 2019, again in the Port of Philadelphia, a seizing of an astonishing 17 tons of cocaine having the street value of over \$1 billion.

A recent report from the United States Coast Guard, which also falls under the jurisdiction of this committee, press release talks about the Coast Guard Cutter *Hamilton* returning to port in Florida with over 2,600 pounds of cocaine and 3,700 pounds of marijuana, a street value of over \$500 million.

So, Mr. Reardon, I would like to ask you, if you could, could you speak in more detail on the use that our seaports and our sea routes, how those are being used by drug cartels to move their illegal products into the United States?

Mr. REARDON. Congressman, thank you.

What I will say at the outset is that I am certainly no expert on, you know, the methods that are used by drug cartels or any of that sort of thing. What I can tell you, as the union representative, the national president, for CBP employees and the Office of Field Oper-

ations, is that we continue to see an increase, as the numbers you just mentioned illustrate. That there is a rising in the number of seizures that are happening in this country.

So one of the things that I would mention to you is that, you know, I think CBP does an outstanding job in interdicting those drugs and catching folks, but I also think that CBP could do an even better job if we fully staffed the Office of Field Operations with the appropriate number of CBP officers, as called for in CBP's workload staffing model.

Mr. GUEST. Well, and this is an issue that is particularly important to me. You are right, the staggering figures that we see, particularly I mean you look at in one seizure there in the Port of Philadelphia, a single seizure resulted in the seizure of 17 tons of cocaine, a street value of over \$1 billion. So I would agree with you that this is an area that this committee needs to look at for us to be able to increase our policing presence at our seaports. I believe that with that increased presence of personnel, with staff, with additional training, that what we are going to see is that is going to have an increased impact on our ability to fight the flow of these illegal drugs coming into the country.

Mr. GUEST. So let me ask you, in addition to the increase in staffing and increase in training, are there any other things that we as a committee need to be looking at as to how we can better improve policing in our seaports, again with the main intent to stop the flow of illegal narcotics from coming into the country?

Mr. REARDON. Well, I certainly think you touched on one thing, which is training. So I think that needs to be focused on. I think the other thing that I would mention is there are—I mentioned in my testimony and I believe in my 5 minutes that we had last year 850 CBP officers that had to be moved from various airports and seaports around the country to the Southwest Border for temporary duty assignments. So I think we always have to remember because that is required, and I understand that needed to happen, but what it does is it removes those CBP officers from other ports around the country and that really takes away from the security, the drug interdiction, and everything else that CBP officers do in their home ports.

So I think that is something that we have got to make sure that we are paying attention to as well.

Mr. GUEST. Thank you very much.

Madam Chairman, I yield back.

Ms. BARRAGÁN. Thank you, Mr. Guest, and thank you to our witness.

I would now like to recognize the gentlewoman from New York, Ms. Clarke, for your 5 minutes.

Ms. CLARKE. I thank you, Madam Chair, and I thank our Ranking Member, Mr. Higgins.

I would like to start my question with Mr. Reardon, because I think staffing is at the heart of a number of our challenges. You know, were we to create enough activity, the personnel to make sure that that activity runs smoothly is questionable.

So I understand that our seaports have been understaffed since well before the pandemic. Can you describe how the lack of full

staffing has impacted your members? How would it change if CBP were able to hire the additional officers needed for ports of entry?

Mr. REARDON. Absolutely, Congresswoman. Thank you very much for your question.

You know, I just described one of the impacts, and that is around the issue of temporary duty assignments. If CBP were fully staffed, those TDY assignments in all likelihood would not be necessary, or at least not at the level that they have been necessary over the last several years. You know, I think that the—in terms of staffing, one of the things—when I talk to my members—and I just actually met with a large number of our CBP leaders last week—and, you know, one of the things that they often talk to me about is that, Tony, at the core of nearly all of our problems is the issue of staffing.

So let me point to one for you. It is around the issue of morale. If you look at the FEVS, Federal Employee Viewpoint Survey, scores, CBP is the somewhere on the order of 341st out of just over 400. So they are way, way, way down the line. You know, so I think that is an issue. I think that we need to continue to look at in CBP the issue of hiring. It takes too long to get somebody from the point at which they fill out an application to the point that they are actually brought on-board. So what happens is, look, when people apply for a job, they need a job, right. They need money to pay for rent and everything else. What happens is when it takes that long they decide to go to work for a sheriff's office or they decide to go to work at some other place. So I think the hiring has to be fixed. I know there has been a lot done that has improved, but I think it still is in need of more fixing.

Ms. CLARKE. Mr. Reardon, can you tell us how do you think that Congress can assist in meeting the staffing needs? I think—I am not certain whether it was you or one of our other panelists, but clearly the fact that we have been operating on CRs has not been helpful. What are some of the suggestions that you can see, particularly in dealing with the staffing needs?

Mr. REARDON. Well, I think one is that you could—Congress could enact a stand-alone bill to authorize funding for CBP officers for new hires to the level that is identified in the workload staffing model, which right now during a pandemic is 900 CBPOs and then other staff as well. I think that Congress could support fiscal year 2022 funding for agriculture inspection personnel, support funding for trade operation specialists.

I think another thing that would be really helpful for the employees who are already on-board is support hazardous duty pay for CBP officers who have from the first day of this pandemic showed up at work. They have had to be at work protecting our ports of entry and protecting this country.

Ms. CLARKE. Thank you very much, Mr. Reardon. That is very important, the points that we have raised around staffing.

I want to ask in the limited time that I have to all of our port leadership, I am the chairperson of the Subcommittee on Cybersecurity, so I am really concerned about, you know, the posture in our ports with regard to cybersecurity. Can you describe what actions your port has taken to mitigate the chances of a cyber attack? I know that is huge and I only have a little bit of time, but I am

going to yield to you and, Madam Chair, yield back once they have completed their responses.

Mr. SEROKA. Congresswoman, Gene Seroka from Los Angeles.

As I mentioned to your colleague from California, Mr. Correa, the Port of Los Angeles was the first to implement a cybersecurity operations center here in September 2014 partly funded by the Department of Homeland Security. Today that center stops 40 million cyber intrusion attempts per month, double what it was before COVID-19. Following that, the learnings that we have taken, we have also seen the NotPetya attack in Eastern Europe that impacted the largest shipping company in the world, Maersk, and their associated terminal operator, APMT. We have seen liner shipping company CGM be attacked and marine terminal in Long Beach and the Long Beach container terminal.

Following those episodes we have instituted the CRC, the Cyber Resilience Center, which now brings in the private-sector partners in and around the port.

As I have stated in testimony, there is much more work to do. I am proud of the efforts we have made so far, but we need this to be an entire community effort, from the Federal, State, and local level, as well as our private-sector partners.

Ms. CLARKE. Thank you.

Madam Chair, I am going to yield back. I don't think we have any further responses. Perhaps we can do a joint hearing at some point to just hone in on this subject matter.

I yield back, Madam Chair.

Ms. BARRAGÁN. OK. Fantastic. Thank you so much.

I now will recognize the gentleman from North Carolina, Mr. Bishop. You are recognized for your 5 minutes.

Mr. BISHOP. Thank you, Madam Chairman. I don't think I will take all of them.

Mr. Seroka, I was listening and it sounds like you have got a story of considerable improvement in the situation that we have read about in the media, but I was furnished a statistic. I am not sure it is right, so I just want to ask you. I am sorry, I could not hear all of your testimony. I was distracted by some things.

But I have got a stat that says as of last week there were a record 105 container ships waiting at California ports. Is that accurate or is that incorrect information? If it is correct, if it is a record, why—it seems to run contrary to the general tenor I detected from your testimony that things were improving.

Mr. SEROKA. Sir, with all due respect, that is a misinterpretation of the number.

Back in the middle of November—November 17 to be specific—the private-sector employers association, ship owners, marine exchange in southern California decided to redo their queuing system of arrivals. We now count ships the moment they leave Asia until they reach the breakwater right outside the Port of Los Angeles and Long Beach as they count those 105 ships that you refer to. If we did a like-for-like comparison, prior to that on October 13 we had 89 ships that had just departed Asia and are awaiting to move in just outside the breakwater.

These are ships representative of early lunar new year, where we are really hustling cargo out of Asia ahead of their holiday, which

will begin on the evening at midnight on January 31. As I have shared, there is much more work to do in the supply chain across both the private- and public-sector partners that we engage, but this is not terribly worse than it was before this new private-sector queuing system went into place.

We need to move more cargo out efficiently or dwell times. The amount of time a container sits on our docks has basically been cut in half since we have instituted some of our policies. We need to further reduce that and get into a position where cargo is flowing through these ports safely and securely.

Another area of work that we have done, as I mentioned, is that we have seen major retailers, importers alike, begin to order as much as they can just in case. They didn't want to be the paper goods retailers of what we saw at the beginning of COVID-19. So stocking up inventories has been key because our inventory sales ration Nation-wide is the lowest it has been in a decade. Trying to match up with this unbelievable consumer demand that is fueling our economy is really why you see so much cargo coming across the Pacific.

Mr. BISHOP. Yes. I got that point pretty clearly.

But just to clarify, the queuing of ships—and, you know, it is hard for me to discern or be an instant expert on what the different methodologies are for queuing—but we have heard—the media stories have been plentiful about ships waiting in an unusual circumstance. Can you compare on an apples-to-apples basis and tell me has the problems of ships waiting offshore to come in worsened or improved, and how markedly?

Mr. SEROKA. Improved. Three reasons why the private sector changed their queuing system to begin measuring from departure in Asia until we can visibly see those ships here outside our breakwater, which sits 2 miles offshore from the Ports of Los Angeles and Long Beach: No. 1 were the emissions that were hitting our local residential communities by all these ships stacked up within visible distance of our shoreline. At peak, sir, they reached more than 80. Second, the safety and security of our—

Mr. BISHOP. The number now—Mr. Seroka, as compared to reaching a peak of 80, what is the number now?

Mr. SEROKA. Right outside our breakwater it is in single digit fashion as of this morning. I believe the number was 9.

Mr. BISHOP. Have ships been required to wait farther offshore in order to avoid that breakwater—you know, the—evidenced from—that you can see from shore?

Mr. SEROKA. Yes, they have. You have more ships at the 180-mile marker, which is also measured as we leave Asia. Again, three reasons why the private sector did this. No. 1, reduce emissions right at our coastal residential communities with these vessels sitting 2 miles offshore. Second, the safety and security of the crews. As we experienced high wind events, Santa Ana winds, coming across and into the basin of the port complex, these ships started to sway. They were parked very close to each other at what we call anchorage. Making sure that we had more distance for the safety of those crews was of paramount importance in this decision. Third, according to the employers association, the ship and vessel operator could not request its labor fulfillment until they reached that 40-



mile marker closer. So allowing the vessel operator to institute their request for labor upon departure from Asia also allowed us to spread out these ships and allow for a port call optimization model that doesn't stack them all up at one time by racing across the Pacific.

Mr. BISHOP. Thank you, sir.

Madam Chairman, I saved less time than I thought. I yield back.

Ms. BARRAGÁN. Thank you for that.

I would like to now recognize the gentleman from New Jersey, Mr. Gottheimer, for 5 minutes.

Mr. GOTTHEIMER. Thank you, Chairwoman, for holding this timely and important hearing.

Seaports are seeing record numbers of cargo volume, as we just talked about, which as we all know is adding to port congestion and ships have been stalled in terminals for too long these last months and obviously having an impact on our supply chain. I strongly encouraged the activation of the National Guard to help move critical goods, including COVID-19-related pharmaceutical ingredients and other urgent needs that are stuck at our ports, and the administration to create—I have asked them to create a strategic shipping reserve to utilize the United States Transportation Command Fleet or non-combatant vessels to put them to work, which can—they carry thousands of containers for our critical supplies. Many of these ships are sitting idle or moving goods back and forth from Europe and Asia, having excess capacity. I think utilizing this strategic shipping reserve would further ease supply chain disruptions at our ports and across our country.

Mr. Connor, if I can ask you, what other options are you and your team advocating for to decrease disruption to critical industries and supplies at our seaports, as well as anything else you think we should be doing that we are not doing?

Mr. CONNOR. Congressman, thanks for that question. I think there is already some pretty creative things happening. Probably the most formidable and notable is what happened right out in the San Pedro Bay Complex where hours of operation went from, you know, 16 hours a day to 24 hours a day or potentially 24 hours a day, 7 days a week. The other thing you have seen happen really over the last 4 to 6 weeks is the creation of something called pop-up container facilities. This is off-terminal, off-marine property container yards where cargo can flow right off the ship and be staged for pick-up there and helping to eliminate the congestion on the marine terminal facility.

As you know, Congressman, ports were not set up to be—

Mr. GOTTHEIMER. Sorry, sir. I was going to say there was money in the infrastructure package for some of these pop-up facilities, right?

Mr. CONNOR. There was actually some residual from the PIDP program that was able to be allocated for the pop-up program. You know, that the heart of it is that ports were never designed to be storage compounds, they are designed to be transit points, you know, on the journey of cargo from where it is manufactured to where it is consumed. So I think opening the terminal, making the terminals open longer hours, and getting it—creating these pop-up facilities to get it away from the marine compound are two exam-

ples that have definitely helped ease some of the pain we have been feeling.

Of course we are super enthusiastic about the infrastructure money that is headed our way, but as you can appreciate, it is going to be 18 months or so before we start to see the fruits of that money come through in efficiency.

Ms. BARRAGÁN. I think we are waiting on Mr. Gottheimer. May have a—are you back with us? There you are.

Mr. GOTTHEIMER. Is that better? Is that better? Sorry about that.

Ms. BARRAGÁN. You are good.

Mr. GOTTHEIMER. Thanks. Global demand for U.S. exports, primarily agriculture and forest products, remains strong even with growing competition, but the discriminatory practices of foreign flag ocean carriers continue to upend global markets. Today the total number of containers leaving the United States we know is an all-time high, but the number of these containers loaded with export cargo is lower than at any time since 2015.

Mr. Seroka and Ms. Vick, I would love to hear your thoughts, your perspective from the Port of Los Angeles and Virginia, are you experiencing this type of challenge with these foreign flag carriers?

Mr. SEROKA. Like many parts of the supply chain, it is just not one lever you can pull.

No. 1 policy, we need to look at the Phase One trade deal with China that has created non-compensatory pricing for the American farmer from the moment product is harvested. Again, taking a look—I understand folks don't share our same ideals across a variety of issues, but this is very important. Second, our Nation needs a National export policy. We need to bring people back into this sector. Work on round-trip economics and see what we can do from training, reskilling, and upskilling to get more productivity out of both agriculture and manufacturing. Reconnecting our American exporters with their partners overseas. Third, while the strength of the U.S. dollar helps our economy in so many other areas, it disadvantages some exporters in the Asia-Pacific theater. One classic example is Brazil's soy beans compared to those of ours from the Midwest to the United States.

We are working very closely with the International Dairy Farmers Association, the Agricultural Transportation Coalition, American Manufacturers Association to find ways to bring more exports into the flow. We have got a lot of empty containers. The idea is work from the coast inward to try to bring that cargo up. But on average, dairy products moving through the Port of Los Angeles have doubled year over year. Ag products are up by percentage points, but we have much more work to do.

Mr. GOTTHEIMER. Ms. Vick please.

Ms. VICK. Yes, thank you, Representative.

Similarly we have seen some issues with the match back of containers and availability of containers because of some of the upstream constraints. What we have done is focused with a lot of our agricultural partners on transload facilities and being able to move that cargo more efficiently. So we will continue to work with them along with their partners to try to facilitate that match back and the quicker movement of the agricultural goods.

Mr. GOTTHEIMER. If I could just ask about that. But you are not concerned at all by—

Ms. BARRAGÁN. Mr. Gottheimer, your time is expired.

Mr. GOTTHEIMER. Sorry. OK.

Ms. BARRAGÁN. I have gone a little over and—

Mr. GOTTHEIMER. Thank you so much. Thank you.

Ms. BARRAGÁN [continuing]. We wanted to do a second round if you want to stay for a second round.

Mr. GOTTHEIMER. Thank you so much. I yield back. Thank you so much.

Ms. BARRAGÁN. Thank you, Mr. Gottheimer.

With that I would like to recognize the gentleman from Georgia, Mr. Clyde. You are recognized for 5 minutes.

Mr. CLYDE. Thank you. Thank you very much Chairwoman Barragán.

I will tell you that I wish we had a representative of the Port of Savannah here at this hearing and potentially the inland Port of Gainesville as well, but we don't. I guess we can't have every port here. There would be a whole lot of witnesses if we did.

But these questions are for Mr. Richert Self and Mr. Seroka and Ms. Vick. As port directors and having specific ports, we have been hearing over the past year about the increased quantity of cargo going through our seaports of entry. Seaports are the gateways for the transport of these goods and services. The volume of both inbound and outbound commercial vessels serves to me as a reasonably reliable litmus test for the health of the overall economy. So can you provide the committee with insight into the overall volume of cargo vessels coming through the port currently and how that compares to pre-pandemic levels, say this time January 2019 or January 2020, before everything hit the fan in March 2020?

Mr. Self, if you would go first and then Mr. Seroka and Ms. Vick, in that order please.

Mr. SELF. Sure. Thank you.

Currently the port handles about right at 15 million tons of cargo. Pre-pandemic it was actually slightly lower than that. The only reason there has been a shift is some of the LNG projects that were under construction completed construction in 2020. So it is a little bit—it is kind of an anomaly because while some of the cargoes on the petroleum products decline on the refining side, the LNG exports greatly increased. That is going to be a growing trend for our port. We anticipate that to continue. There are several projects that will be making their final investment decision in the next 12 months and we anticipate that number to continue to grow for the Calcasieu Ship Channel.

Mr. CLYDE. All right. Thank you, sir. I appreciate that.

Mr. Seroka.

Mr. SEROKA. Cargo volume year over year is up 16 percent at the Port of Los Angeles and compared to our best year ever, Congressman, in 2018 we are up 13 percent. On average the number of container vessels that come to the Port of Los Angeles is approximately 1,800. That is represented by about 10 major international carriers headquartered in Asia and Europe.

This year alone we saw 10 new entrants to the trade. Think of those inter-Asia and long-haul inter-Asia Middle East carriers that

have shifted their vessel assets to the Transpacific in an effort to try to help support the rising demand of American imports. We have also seen one way charter hires by major American retailers that have come in. In the end, when all the vessels are counted, we are probably going to be up about 12 to 14 percent on individual vessel calls. But that is not the whole story.

Most of those new entrants to the trade, charter vessels, and one way hires were of a smaller variety of ship, many of which left Asia loaded with containers without reservations at our port's marine terminals. They would call us on the way traversing the Pacific to see if we had space to accommodate their ships and work them with our long shore labor. Part of that really gummed up the works. Better planning, better information flow, better notification would help tremendously.

But, again, all in an effort to satisfy us as U.S. consumers is why you saw a number of new players come into the mix this past 12 to 15 months.

Mr. CLYDE. All right. Thank you. That is very good information.

Ms. Vick, could you comment on the Port of Virginia?

Ms. VICK. Yes. Thank you, Representative Clyde.

We also have seen a tremendous amount of growth. During the beginning of the pandemic we saw a 7 percent dip for about 5 months. Now we have recovered and last year we saw a 17 percent increase over that prior year and this year we are up 25 percent.

The biggest shift that we have seen is really in the balance of imports and exports. Traditionally we have been like 48 percent–52 percent. Now the growth is 11 percent in exports but 27 percent in loaded imports. We are seeing that mostly because of a shift in consumer behavior, where you are seeing a lot more e-commerce rather than going to the traditional retail store. So instead of it coming in and going to a distribution center, we are seeing more developers want to come in in close proximity to the port and put in cross-dock facilities where they can very quickly shift to domestic containers and get out to the consumers.

So it will be interesting to see how long, you know, this occurs. We have an economist on staff that doesn't really see an end in sight yet. You know, there are a number of economic factors and potentially community factors, such as how many more of these variants and shutdowns overseas at facilities and things like that, but also inflation and some of the pressure that folks are feeling.

So thank you for the question.

Mr. CLYDE. All right. Well, thank you for the answer. So I am seeing a significant—fairly significant increase across the board.

Now, for Mr. Anthony Reardon, I have got a question for you, sir. In your testimony you say that according to our most recent briefing—

Ms. BARRAGÁN. Mr. Clyde.

Mr. CLYDE [continuing]. Nearly 90 percent of CBP employees are fully vaccinated as required by the mandate. Are you concerned about the CBP's ability—

Ms. BARRAGÁN. Mr. Clyde? Your time has expired.

Mr. CLYDE [continuing]. To fully staff with 10 percent not vaccinated? I mean what is going to happen with those 10 percent?

Ms. BARRAGÁN. Mr. Clyde, your time has expired. I am going to let the witness answer the question if he heard it. But we are going to move to a second round.

Mr. CLYDE. OK. Thank you.

Ms. BARRAGÁN. Does the witness have a short answer?

Mr. REARDON. Well, the short answer is that as I understand it, there are—I think it is 97 percent are in compliance, which means they have either gotten the vaccine or they are in—they have requested an exemption.

Mr. CLYDE. OK.

Mr. REARDON. So I think it is about 97 percent. In terms of what happens to folks that either don't get the—you know, don't get the exemption or just refuse altogether, my understanding is that they will be terminated.

Are you getting exemptions?

Mr. REARDON. We have not gotten in CBP, so far as I know anyway. Decisions have not been made yet on the requested exemptions.

Mr. CLYDE. So the Executive branch has not granted any exemptions yet?

Mr. REARDON. In CBP I am not aware that they have granted any yet, but, you know, it is certainly possible that they could have that I am just not aware of it.

Mr. CLYDE. OK. Is there a percentage that you know of?

Ms. BARRAGÁN. Thank you, Mr. Clyde. We are going to go to the second round of questions. You are welcome to stay. We will see if we can get a second round of questions in here and I am going to go ahead and start. If our witnesses have to leave, I understand, but we are hoping to get just a few more questions in.

I will start by recognizing myself for 5 minutes and then we will alternate sides with any Members that are remaining that want a follow-up question.

My question is if FEMA's Port Security Grant Program has provided funding to State, local, and private-sector partners to improve port infrastructure and security plans that deter terrorists and other emerging threats, can you describe how this important program has helped to improve your port security and how you believe this program could be improved?

We will start with Mr. Seroka at the Port of Los Angeles and then we will go around for any other responses.

Mr. SEROKA. Thank you, Chairwoman.

A number of areas where this has been very successful. The Port of Los Angeles has more than 450 CCTV cameras throughout the complex. It has also helped us stand up the Threat Detection Center, which manages those cameras in conjunction with our marine terminal operations and other private-sector partners. The aforementioned cybersecurity initiatives around the CSOC, Cybersecurity Operations Center, and the Cyber Resilience Center are also part of that.

The Port Security Grants have also funded the mobile assets on ground and water that we have across the Port of Los Angeles that are led by, again, head of public safety and Port Police Chief Tom Gazsi and the 200 sworn and civilian peace officers here at the port.

Ms. BARRAGÁN. Thank you.

Mr. Self.

Mr. SELF. Yes. Just to echo what Mr. Seroka said, we have utilized some of the Port Security Grants for both camera systems that we operate along with systems that are utilized by our harbor police department.

Ms. BARRAGÁN. Great.

Ms. VICK. I think you are on mute, Ms. Vick.

Ms. VICK. Thank you. Sorry about that.

We too have used Port Security Grants to establish a cybersecurity operations center here in our port. We also have camera systems that have been funded. Then we work with a maritime incident response team of our other Government agencies, local governments, for assets for their use as well for radar detection, search and rescue equipment, vessels, things like that.

Ms. BARRAGÁN. Great. Thank you.

Is AAPA on? Do they want to comment? I don't think I see him here.

Mr. CONNOR. Yes, I am on, but I think the guys on the ground covered it well.

Ms. BARRAGÁN. OK. Sounds good.

I have another question I want to get to while I have a couple of minutes left here. I want to start with Mr. Connor on this next question. Public-private partnerships, such as CBP's Reimbursable Services Program have left ports to fill staffing and infrastructure gaps, to offer additional customs, immigration, and agricultural services. For example, CBP informed the committee that overtime pay under the Reimbursable Services Program has accounted for the processing of 2.5 million travelers and 1 million inspections.

What challenges, if any, have your organizations experienced in utilizing the Reimbursable Services Program and can you share any recommendations you have to improve the program?

I think you are on mute, sir.

Mr. CONNOR. Yes, thank you.

I think our overarching recommendation would be, you know, that we staff, even as Mr. Reardon himself as said, staff CBP at a level where we don't have to rely on overtime. It creates obviously financial concerns for the ports themselves, but it also opens up a fatigue and burnout situation for the officers and employees of CBP.

So as I listened to Mr. Reardon's comments throughout, I think one thing is very consistent between the port community and CBP, that we are asking really for the same thing, is to have a robust staffing and funding of CBP so that we can protect and serve the mission of CBP and the role of ports in this country.

Ms. BARRAGÁN. Right. Thank you.

Anybody want to comment next? Mr. Seroka, Ms. Vick, Mr. Self. Anybody else?

Mr. SEROKA. Well-covered.

Ms. BARRAGÁN. OK. OK. Hearing nothing further on this, I will go ahead and end my questions. I do want to thank you, Mr. Seroka, for mentioning the Climate Smarts Ports bill, something that I have been working on in getting to zero emissions in ports. This bill is part of Build Back Better and basically what it would

do is provide a funding for ports across the country to be able to invest in zero emissions technology with the hope of eventually getting to zero emissions and helping communities that live in the surrounding areas and the health impacts they are having from ports. So everybody here should be able to benefit from that should we get it across the finish line.

I know that Mr. Higgins, that you have also another round of questions, so I yield to the gentleman, the Ranking Member, Mr. Higgins.

You are recognized for your 5 minutes.

Mr. HIGGINS. I thank the good lady, my friend, the Chairwoman.

Ma'am, I would just like to present to my colleagues on both of the aisle a bill that is currently within the committee for consideration. We have spoken a lot about CBP staffing and the needs there. I have a bill within committee that is being considered for mark-up. Minority staff is working with the Majority staff. I ask for your kind consideration, Madam Chair. It is a CBP Workload Staffing Model Act, H.R. 4138. It would solve some problems we believe. It's the sort of bipartisan bill that the Homeland Security Committee is known for passing. I just respectfully ask it to be heightened on your own radar so that perhaps we can work together and offer some solutions through a mark-up in the near future for staffing issues with CBP.

I thank our witnesses for being here today and I yield.

Ms. BARRAGAN. Thank you, Mr. Ranking Member Higgins. Happy to work with you. I thought I saw another Member with their hand raised, but it looks like the Member is gone.

So I will take this opportunity as well to thank the witnesses for their valuable testimony and the Members for their questions. The Members of the subcommittee may have additional questions for the witnesses and we ask that you respond as soon as you can in writing.

Without objection, the committee record shall be kept open for 10 days.

Again, thank you, everybody, for your work, for being on the front lines of the movement of our goods, the impact that you have on our economy and jobs and everybody is so greatly important.

With that, we will wrap. Hearing no further business, the subcommittee stands adjourned.

[Whereupon, at 3:47 p.m., the subcommittee was adjourned.]

