

Calendar No. 672

118TH CONGRESS }
2d Session }

SENATE

{ REPORT
118-269 }

ENHANCING SOUTHBOUND INSPECTIONS TO
COMBAT CARTELS ACT

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 1897

TO REQUIRE THE SECRETARY OF HOMELAND SECURITY TO
ENHANCE CAPABILITIES FOR OUTBOUND INSPECTIONS AT
THE SOUTHERN LAND BORDER, AND FOR OTHER PURPOSES



DECEMBER 9, 2024.—Ordered to be printed

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DECEMBER 9, 2024.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 1897]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 1897) to require the Secretary of Homeland Security to enhance capabilities for outbound inspections at the southern land border, and for other purposes, having considered the same, reports favorably thereon with an amendment, in the nature of a substitute, and recommends that the bill, as amended, do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	2
III. Legislative History	3
IV. Section-by-Section Analysis of the Bill, as Reported	4
V. Evaluation of Regulatory Impact	5
VI. Congressional Budget Office Cost Estimate	6
VII. Changes in Existing Law Made by the Bill, as Reported	8

I. PURPOSE AND SUMMARY

S. 1897, the *Enhancing Southbound Inspections to Combat Cartels Act*, authorizes the Commissioner of Customs and Border Protection (CBP) to purchase 50 additional non-intrusive inspection (NII) imaging systems to be deployed at the southern border and additional associated supporting infrastructure for the purpose of conducting outbound inspections. The bill also requires the Director of U.S. Immigration and Customs Enforcement (ICE) to hire, train, and assign at least 200 new Homeland Security Investigations

(HSI) special agents, 100 to primarily assist with outbound investigations at the southern border and 100 agents to primarily assist with inbound investigations. Additionally, the bill authorizes the ICE Director to hire additional support staff, as necessary. The bill includes a minimum mandatory southbound inspection requirement, to the extent practicable, to ensure that outbound inspections are conducted on at least 10 percent of all vehicles traveling from the U.S. to Mexico by March 30, 2027. The bill requires a report to be submitted to Congress assessing the timeline and resources required to increase the inspection rate to 15–20 percent. The bill also requires the submission of additional reports to Congress that identify current and future resources for inspections as well as statistics related to outbound inspections, including describing the seizure of currency, firearms, and ammunition attempted to be trafficked out of the U.S.

II. BACKGROUND AND NEED FOR THE LEGISLATION

The trafficking of firearms, narcotics, currency, and other contraband from the United States to Mexico and Canada facilitates the illegal drug trade, human trafficking, and other crimes. The same transnational criminal organizations (TCO) that traffic drugs into the U.S. also smuggle drug sale proceeds and weapons out of the country.¹ Outbound interdiction is a component of the National Drug Control Strategy’s Southwest Border and Northern Border Counternarcotics Strategies, including interdiction of bulk currency, weapons, and illicit drugs.² The strategies identified outbound interdiction as a priority, due to the threats posed by cross-border smuggling and trafficking, noting in particular the threats to the security of the U.S. and Mexico from the movement of U.S. weapons to Mexico. In fiscal year (FY) 2023, CBP made 341 outbound weapons and ammunition seizures at land ports of entry at the southern border, an increase of more than 100 seizure events from the previous fiscal year.³ CBP also seized \$8.2 million in currency and other monetary instruments through outbound inspections at the southern border in FY 2023.⁴ CBP uses NII systems to scan both the inbound and outbound vehicles and cargo at ports of entry to detect the presence of contraband or unclaimed goods without physically opening or unloading them.⁵ According to CBP, examinations conducted using NII systems can be done in 8 minutes, compared to 120 minutes for physical examinations.⁶ In FY

¹ Government Accountability Office, *Firearms Trafficking: U.S. Efforts to Disrupt Gun Smuggling into Mexico Would Benefit from Additional Data and Analysis* (GAO–21–322) (Feb. 2021).

² The White House, Executive Office of the President, Office of National Drug Control Policy, *National Drug Control Strategy Southwest Border Counternarcotics Strategy* (Apr. 2022) (www.whitehouse.gov/wp-content/uploads/2022/04/National-Southwest-Border-Counter-Narcotics-2022Strategy.pdf); The White House, Executive Office of the President, Office of National Drug Control Policy, *National Drug Control Strategy Northern Border Counternarcotics Strategy* (Apr. 2022) (www.whitehouse.gov/wp-content/uploads/2022/04/National-Northern-Border-Counter-Narcotics-2022Strategy.pdf).

³ U.S. Customs and Border Protection, Newsroom, Stats and Summaries, Weapons and Ammunitions Seizures (www.cbp.gov/newsroom/stats/weapons-and-ammunition-seizures) (accessed May 20, 2024).

⁴ U.S. Customs and Border Protection, Newsroom, Stats, and Summaries, Currency & Other Monetary Instrument Seizures (www.cbp.gov/newsroom/stats/currency-other-monetary-instrument-seizures) (accessed May 29, 2024).

⁵ Department of Homeland Security, U.S. Customs and Border Protection, *CBP Trade and Travel Report Fiscal Year 2022* (June 2023).

⁶ Department of Homeland Security, U.S. Customs and Border Protection, *CBP Trade and Travel Report Fiscal Year 2022* (June 2023).

2023, using large-scale NII systems, CBP scanned over 9.2 million inbound conveyances, which led to the interdiction of more than 127,000 pounds of narcotics.⁷

The Department of Homeland Security (DHS) Office of Inspector General (OIG) reported in 2023, that the frequency of outbound inspections, inspection techniques, technology, and infrastructure in outbound inspection areas varied between land border crossings.⁸ Given that the outbound flow of firearms, narcotics, currency, and other contraband contributes to the TCO activity that DHS and other federal agencies are working to prevent in the U.S., this bill directs CBP to increase outbound inspection operations and authorizes the purchase of additional NII systems and procurement of related infrastructure necessary to achieve the increased inspection rate.

After CBP conducts a seizure, HSI, which is the principal investigative arm for DHS, is responsible for investigating for prosecution and to help target other illicit TCO activity.⁹ Increasing the number of outbound inspections will result in additional seizures that require investigation by HSI. Therefore, the bill enables HSI to hire additional personnel necessary to conduct such investigations. The *Enhancing Southbound Inspections to Combat Cartels Act* would help ensure that DHS continues to strengthen outbound enforcement to counter the activities of criminal organizations.

III. LEGISLATIVE HISTORY

Senator Maggie Hassan (D–NH) introduced S. 1897, the *Enhancing Southbound Inspections to Combat Cartels Act*, on June 8, 2023, with original cosponsor Senator James Lankford (R–OK). The bill was referred to the Committee on Homeland Security and Governmental Affairs. Senator Jon Ossoff (D–GA) later joined as a cosponsor of the bill on April 10, 2024.

The Committee considered S. 1897 at a business meeting on April 10, 2024. At the business meeting, Senator Hassan and Senator Lankford offered a substitute amendment to the bill, as well as a modification to the substitute amendment. The Hassan-Lankford substitute amendment, as modified, made technical changes and updated the minimum inspection rate for outbound inspections at the U.S. and Mexico border. The substitute amendment, as modified, also added a requirement to hire additional HSI special agents for inbound smuggling activities and added to the bill's reporting requirements. The Committee adopted the modification to the Hassan-Lankford substitute amendment, as modified, by unanimous consent, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, Scott, Hawley and Marshall present. The Committee adopted the substitute amendment as modified by unanimous consent, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, Scott, Hawley, and Marshall present. The

⁷Department of Homeland Security, U.S. Customs and Border Protection, *FY 2023 CBP Travel Sheet* (June 2024).

⁸U.S. Customs and Border Protection, *CBP Outbound Inspections Disrupt Transnational Criminal Organization Illicit Operations* (Redacted) (www.oig.dhs.gov/sites/default/files/assets/2023-08/OIG-23-39-Aug23-Redacted) (accessed May 29, 2024).

⁹Homeland Security Investigations HSI, *Strategy for Combatting Illicit Opioids* (www.dhs.gov/sites/default/files/2024-04/23_0919_hsi_strategy-for-combatting-illicit-opioids.pdf) (accessed May 29, 2024).

bill, as amended by the Hassan-Lankford amendment as modified, was ordered reported favorably by roll call vote of 11 yeas to 2 nays, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Lankford, Romney, Scott, and Hawley voting in the affirmative, and Senators Paul and Marshall voting in the negative. Senators Carper and Johnson voted yea by proxy, for the record only.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section establishes the short title of the bill as the “Enhancing Southbound Inspections to Combat Cartels Act.”

Section 2. Definitions

This section defines “Appropriate Congressional Committees” and “Southern Border.”

Section 3. Additional inspection equipment and infrastructure

Subsection (a) authorizes the CBP Commissioner to purchase up to 50 additional non-intrusive imaging systems and additional associated supporting infrastructure.

Subsection (b) specifies that the systems and infrastructure authorized under subsection (a) shall be deployed to the southern border for the primary purpose of inspecting any person, conveyance, or mode of transportation traveling from the U.S. to Mexico.

Subsection (c) authorizes the CBP Commissioner to procure additional infrastructure or alternative inspection equipment necessary to inspect any persons, conveyances, or modes of transportation traveling from the U.S. to Mexico.

Subsection (d) sunsets the authorizations in subsections (a) and (c) five years after the date of enactment.

Section 4. Additional Homeland Security investigations personnel for investigations of southbound smuggling

Subsection (a) directs the ICE Director to hire, train, and assign not fewer than 200 new HSI special agents, 100 to primarily assist with outbound investigations and 100 to assist with investigations involving inbound smuggling activities.

Subsection (b) authorizes the ICE Director to hire, train, and assign additional support staff to support the functions carried out by special agents hired pursuant to subsection (a).

Section 5. Report

Subsection (a) requires that one year after of enactment of this act, the Secretary of Homeland Security submit a report to the Congress. The report shall include information regarding the resources and budget provided to carry out outbound and inbound inspections of any individual and mode of transportation to and from the U.S. and Mexico or Canada and the operational cadence of such inspections for individuals and conveyances. It also requires the report to include any plans that would allow for the use of alternative inspection sites near a port of entry. It further requires an estimate of the number of vehicles and conveyances that can be inspected with up to 50 additional non-intrusive imaging systems

dedicated to southbound inspections as well as 50 additional non-intrusive imaging systems dedicated to inbound inspections along the southern border and an assessment of the Government of Mexico's inbound inspection capabilities.

Subsection (b) specifies that the report submitted pursuant to subsection (a), or any part of such report, may be classified or provided with other appropriate safeguards to prevent dissemination.

Section 6. Minimum mandatory southbound inspection requirement

Subsection (a) requires that, to the extent practicable, no later than March 30, 2027, the Secretary of Homeland Security to ensure that no fewer than 10% of all conveyances and other modes of transportation traveling from the U.S. to Mexico are inspected before leaving the U.S.

Subsection (b) specifies that the inspections pursuant to subsection (a) may include non-intrusive imaging, physical inspections by officers or canine units, or other means authorized by the Secretary of Homeland Security.

Subsection (c) requires the Secretary of Homeland Security to submit a report, to the appropriate congressional committees, assessing DHS' timeline and resource requirements for increasing inspection rates to 15% and 20% of all conveyances and modes of transportation traveling from the U.S. to Mexico. It requires the Secretary to submit the report not later than March 30, 2028.

Section 7. Southbound currency and firearms seizures quarterly report

Subsection (a) requires the CBP Commissioner to submit a report to the appropriate congressional committees describing the seizure of currency, firearms, and ammunition attempted to be trafficked from the U.S. It requires the CBP Commissioner to submit this report no later than 90 days after enactment of this act and every 90 days until four years after enactment of the bill.

Subsection (b) requires that the report include information regarding outbound inspections at U.S. ports of entry for the preceding 90-day period. Specifically, it requires the report to include information on the total number of currency seizures and dollar amount, the total number of firearms and ammunition rounds seized, and the total number of firearm seizure incidents and ammunition seizures.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

At a Glance			
S. 1897, Enhancing Southbound Inspections to Combat Cartels Act			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on April 10, 2024			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	1,123	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply? No	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate? No	
		Contains private-sector mandate? No	

The bill would:

- Authorize Customs and Border Protection (CBP) to purchase up to 50 nonintrusive inspection (NII) systems for use at the southern border of the United States
- By March 30, 2027, require CBP to inspect at least 10 percent of vehicles exiting the country into Mexico
- Require Immigration and Customs Enforcement (ICE) to hire 200 additional agents
- Impose reporting requirements on CBP

Estimated budgetary effects would mainly stem from:

- Costs associated with construction and with procurement and maintenance of NII systems
- Adding CBP and ICE personnel

Areas of significant uncertainty include:

- Projecting the amount of vehicle traffic into Mexico from the United States
- Predicting the configuration of land ports of entry

Bill summary: S. 1897 would authorize Customs and Border Protection (CBP) to purchase up to 50 nonintrusive imaging (NII) systems and procure additional supporting infrastructure (such as technology and improvements to roads and facilities) for use at the United States' southern border. NII systems, such as large-scale X-ray and gamma-ray systems and handheld scanners, are used to quickly inspect vehicles for weapons, narcotics, and materials that could pose a nuclear or radiological threat. By March 30, 2027, the bill would require CBP to inspect at least 10 percent of all vehicles leaving the United States to enter Mexico. The bill also would require CBP to report to the Congress on the implementation of the bill.

In addition, S. 1897 would require Immigration and Customs Enforcement (ICE) to hire and train at least 200 agents to investigate cases of human trafficking, unlawful entry, and the smuggling of

currency, firearms, contraband, and illicit drugs between the United States and Mexico.

Estimated Federal cost: The estimated budgetary effect of S. 1897 is shown in Table 1. The costs of the legislation fall within budget function 750 (administration of justice).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER S. 1897

	By fiscal year, millions of dollars—						
	2024	2025	2026	2027	2028	2029	2024–2029
Customs and Border Protection:							
Estimated Authorization	0	85	148	227	266	309	1,035
Estimated Outlays	0	11	84	172	221	273	761
Immigration and Customs Enforcement:							
Estimated Authorization	0	46	83	84	86	90	389
Estimated Outlays	0	37	71	80	85	89	362
Total Changes:							
Estimated Authorization	0	131	231	311	352	399	1,424
Estimated Outlays	0	48	155	252	306	362	1,123

Basis of estimate: CBO assumes that the bill will be enacted late in fiscal year 2024 and that the estimated amounts will be appropriated each year beginning in 2025.

CBO assumes that CBP would purchase mostly large-scale NII systems, which can scan vehicles more quickly than small-scale systems can. According to CBP, that agency is using seven NII systems in a pilot program for outbound inspections.

Spending subject to appropriation: In total, CBO estimates that implementing S. 1897 would cost \$1.1 billion over the 2024–2029 period, assuming appropriation of the estimated amounts.

Customs and border protection. CBO estimates that implementing S. 1897 would cost CBP \$761 million over the 2024–2029 period.

CBP has indicated that before large-scale NII systems are installed, improvements to roads, facilities, and technology would be needed at land ports of entry. Using information on the costs and timelines for similar activities, CBO estimates that those projects would require several years to complete, at a cost of \$184 million over the 2024–2029 period.

Using information from CBP about procurement timelines, CBO estimates that the agency could deploy up to 10 systems annually and begin using new systems starting in 2026. We estimate that procurement, installation, and integration for each system would cost \$8 million, on average, and that about \$1 million would be needed annually to maintain each system, for a total cost of \$375 million over the 2024–2029 period.

CBO also expects that increasing the use of NII technology would require the assignment of additional border patrol officers and other personnel to operate equipment, review images, and conduct secondary physical inspections. Using information from CBP, CBO estimates that the agency would need about 300 additional personnel at an average cost of \$200,000 annually and would incur costs for equipment, training, supplies, and materials. CBO estimates that the total cost for personnel would be \$202 million over the 2024–2029 period.

Finally, based on the costs of similar activities, CBO estimates that the bill's reporting requirements would cost less than \$500,000 over the 2024–2029 period.

Immigration and customs enforcement. Using information from ICE, CBO expects that the agency would need 100 people, including administrative staff and non-law enforcement analysts, to support the hiring and deployment of 200 additional agents. CBO expects that hiring the additional people would take several years. CBO estimates that the average annual cost would be \$280,000 for each agent and \$120,000 for each non-law enforcement employee. In addition, CBO estimates that ICE would incur other costs for training, equipment, and operations. After accounting for anticipated inflation, CBO estimates that the cost for ICE would total \$362 million over the 2024–2029 period.

Uncertainty: CBO's estimate for S. 1897 is subject to significant uncertainty, particularly for the future volume of vehicles exiting the United States at the southern border and for the improvements CBP would need to make at ports of entry to accommodate the additional NII systems. If the actual volume of traffic differs from CBO's estimates, the costs could be larger or smaller than estimated. In addition, variation in the configurations of land ports of entry could affect implementation. CBO could not model each port of entry individually or identify which would receive additional NII systems. The costs could be larger or smaller than those estimated depending on where CBP deploys the NII systems and the scope of the capital improvements required.

Pay-As-You-Go considerations: Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Increase in long-term net direct spending and deficits: CBO estimates that enacting S. 1897 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2035.

Mandates: The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate prepared by: Federal Costs: Jeremy Crimm; Mandates: Rachel Austin.

Estimate reviewed by: Justin Humphrey, Chief, Finance, Housing, and Education Cost Estimates Unit; Kathleen FitzGerald, Chief, Public and Private Mandates Unit; H. Samuel Papenfuss, Deputy Director of Budget Analysis.

Estimate approved by: Phillip L. Swagel, Director, Congressional Budget Office.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation would make no change in existing law, within the meaning of clauses (a) and (b) of subparagraph 12 of rule XXVI of the Standing Rules of the Senate, because this legislation would not repeal or amend any provision of current law.