

Statement of

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# U.S. DEPARTMENT OF HOMELAND SECURITY

Before the

# UNITED STATES HOUSE OF REPRESENTATIVES FOREIGN AFFAIRS COMMITTEE SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Hearing on

Improving Security and Facilitating Commerce with Mexico at America's Southern Border

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#### Trade Facilitation in the Border Region

Chairman Salmon, Ranking Member Sires and distinguished Members of the Subcommittees: On behalf of Department of Homeland Security Acting Secretary Rand Beers, I want to thank you for your continued support and the opportunity to testify today about trade facilitation in the border region.

#### Context

In the last five years, the United States and Mexico have revolutionized their security and trade relationship, achieving unprecedented levels of cooperation and success. This transformation has been largely built on a new understanding of borders; a new bi-national approach to border management; and direct, sustained, bilateral engagement at the most senior levels of government. Now, historic levels of cooperation are on display across the spectrum of both countries' governments, and the U.S.-Mexican border is safer, more secure, and more efficient than it has ever been.

The core of DHS interest lies in improving joint border management, which includes everything from investigations to disaster response; admissibility determinations to joint operations; and appropriate information sharing to repatriation of Mexican nationals. The majority of DHS programmatic efforts with Mexico are focused on expediting the legitimate flow of goods and people and interdicting and preventing the illicit flows of people, weapons, drugs, and currency. DHS continues to have a robust and mutually-beneficial relationship with our counterparts in the Government of Mexico based on the doctrines of co-responsibility of our shared border and co-management of migration issues.

#### **Borders**

The United States and Mexico share a historically unique relationship of migration, trade, and cultural exchange. The 1,969 mile border between the United States and Mexico is the most frequently crossed border in the world. Trade between the United States and Mexico continues to grow, totaling nearly \$500 billion in goods during 2012, making Mexico the United States' third largest trading partner and second largest export market. Mexico also has the largest number of airports (36) of any nation in the world providing last point of departure service to the United States.

Conventional wisdom on the U.S./Mexico Border has told us for many years that trade and security are mutually exclusive—that an increase in one must lead to a decrease in the other. We have learned that this is a false dichotomy when managing the border. First, it fails to address the everyday experiences of people who live along the U.S./Mexico frontier. Second, it ignores the growing importance to the prosperity of both nations of our binational trade. Third, it poses a false anachronistic choice between security and trade that results in grossly inefficient border management.

We are now devising innovative solutions that address the difficulties we face head on and liberate us from the conceptual straight-jackets of "security versus trade" or "national

*versus local.*" Commerce and public safety can be mutually reinforcing from the standpoint of both federal requirements and local interests. The fact that trade and security *can* enhance one another does not mean that they automatically will. We must regularly use smarter security practices and technologies on our borders that allow us to process with maximum efficiency goods and travelers we know are safe and legitimate, and focus our energies on people and shipments that could potentially pose a threat to our safety and our prosperity.

The concerted reshaping of the U.S.-Mexican bilateral relationship, begun in earnest through the Mérida Initiative, was deepened and memorialized the *Twenty-First Century Border Management Declaration*. Spurred by this declaration we have begun to move decisively. Trusted partner programs for people and commerce such as SENTRI and Global Entry/*Viajeros Confiables*, FAST and C-TPAT/*Nuevo Esquema de Empresas Certificadas (NEEC)* must be expanded dramatically and utilized more systematically. These programs allow us to more quickly process cargo and previously vetted travelers, which in turn allows a focus of time and energy on goods and people about which less is known. Local communities and businesses must partner with federal authorities to expand the number of trusted travelers and cargoes so that we can expedite their movement at scale and focus regulatory attention in targeted fashion. In 2013, C-TPAT and NEEC finalized the details of a "Joint Work Plan" that will guide the work required towards achieving Mutual Recognition (MR) in 2014. MR will benefit both Mexico's and the U.S.'s trade community and governments by increasing resource efficiency, transparency, and decreasing duplication of efforts while still bolstering security across both borders.

Federal authorities working with local communities must continue to support initiatives that are tailored for specific ports of entry, and that re-engineer processes to make more efficient use of existing infrastructure. Local efforts are customized to reflect the needs and circumstances of the local community as well as the resources available to it. The important point is that they result from a process of *co-creation* by and between the U.S. and Mexican public and private sectors.

### Conclusion

Our policy-making and politics must take account of the international and domestic interests affected by border issues nature of border issues. Today the communities, both at the border and in the interior most deeply touched by border policies developed in Washington and Mexico City, often have little role in developing and implementing those policies. Not only does this fact leave them unrepresented on matters that intimately affect them, it robs the policy-making process of much needed local expertise and experience as well as political support. To genuinely secure our border and encourage trade, we must enlist the interest, insight, and imagination of local communities on both sides of the borders.