



U.S. General Services Administration

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“Port of Entry Infrastructure:
How Does the Federal Government Prioritize Investments?”

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Introduction

Good morning Chairwoman Miller, Ranking Member Jackson-Lee, and members of the Committee. My name is Michael Gelber, and I am the Deputy Commissioner of GSA's Public Buildings Service.

GSA's mission is to deliver the best value in real estate, acquisition, and technology services to government and the American people. As part of this mission, GSA maintains a close partnership with the Department of Homeland Security U.S. Customs & Border Protection (CBP) to meet that agency's space needs along our nation's borders. CBP is our primary partner of the Federal inspection agencies stationed along our land borders.

I look forward to outlining the importance of Land Ports of Entry, our partnership with CBP, how the Federal government jointly prioritizes and executes port projects, and the challenges facing these investments.

The Criticality of Land Ports

GSA works closely with CBP to design, construct, maintain, and operate land ports of entry along more than 1,900 miles of border between the southern United States and Mexico and more than 5,500 miles of border between the northern United States and Canada. These ports are integral to the nation's trade and security.

On a daily basis, about \$2 billion in goods, 350,000 vehicles, 135,000 pedestrians, and 30,000 trucks cross the border at one of these 167 ports. Since 1990, the combined value of freight shipments between the U.S. and Canada and the U.S. and Mexico has increased 170 percent, growing an average of 8 percent annually. Additionally, approximately 23 million U.S. citizens cross the land borders into Mexico and Canada a total of nearly 130 million times each year. These statistics highlight the vital role of safe, secure, and modern land ports along our borders.

GSA owns 102 land ports of entry along the northern and southern borders, leases or partially owns an additional 22. GSA's land port of entry inventory amounts to more than 5.5 million square feet of space. Additionally, CBP owns and operates 40 primarily smaller locations, mostly in remote, rural areas. The U.S. Department of Agriculture and U.S. Forest Service mutually own one land port of entry, and the National Park Service owns two ports.

GSA's Ongoing Partnership with CBP in Support of Land Port Modernization

Given the crucial importance of these ports, GSA, in collaboration with CBP, has prioritized investment to modernize and upgrade these ports.

To ensure these investments address CBP's highest priority needs, GSA relies on the priorities established in CBP's 5-year plan for portfolio upgrades. CBP employs a multi-step process to develop its 5-year plan. This list of priorities can include expansion and modernization of existing land ports along with new port construction.

As CBP has outlined, its process includes gathering data through Strategic Resource Assessment, scoring identified needs at each port, conducting a sensitivity analysis on the initial ranking of needs, assessing project feasibility and risk, and establishing an executable capital investment plan.

In the current 5-Year LPOE Construction Plan, CBP has identified six construction projects at land ports of entry totaling more than \$830 million in facility construction along the northern and southern borders.

During the past 15 years, GSA has invested more than \$1.5 billion to deliver more than 20 new land ports along our northern and southern borders. In the past four fiscal years, the Administration has requested more than \$740 million in support of modernization of land ports to address CBP's most pressing needs. Unfortunately, Congress has provided approximately \$295 million of these requests, all of which came in Fiscal Year 2014. This has stalled critical modernizations and delayed land port upgrades that would secure our borders and improve the efficient flow of commerce with our partners in Canada and Mexico.

When a critical modernization project receives needed funding and, if required, the State Department issues a Presidential Permit, GSA and CBP work in close partnership with key Federal, state, and local stakeholders to construct and operate GSA-owned land port inspection facilities.

GSA and CBP consult with stakeholder agencies at the onset of project planning and continue this relationship throughout project development and execution. If a project involves a new border crossing and or a substantial modification of an existing crossing, GSA works closely with the State Department, which must determine whether the project is in the national interest justifying issuance of a Presidential Permit. GSA also works closely with the U.S. Department of Transportation's Federal Highway Administration (FHWA) and the transportation departments from the 15 Border States when planning border infrastructure projects. GSA and CBP are partners in the Border Master Planning process on the U.S. - Mexico border. In addition to coordination with State and local agencies, the border master planning process also includes Mexican (federal, state and local) governments as well as other federal agencies including State Department, DOT (FHWA, Federal Motor Carrier Safety Administration, etc.) and sometimes private partners as well (railroads for example). The connectivity of highways with the land ports of entry is critical to the safe and efficient flow of traffic and trade across our borders. In addition to working closely with domestic stakeholders, GSA also works closely with the Department of State to coordinate with federal and local governments in Mexico and Canada.

Alternative Resources in Support of Land Port Projects

Especially given the consistent cuts to the port program that I have previously mentioned, we have seen intense interest in finding alternatives to Federal appropriations to deliver high-priority port projects. Importantly, when assessing any options, GSA and CBP must look comprehensively at the full life-cycle cost of a port. This includes the land where construction takes place, the infrastructure that supports the mission, the funds to staff the facility, and the sophisticated technology and equipment CBP uses to ensure the nation's security. If an alternative resource exists for one or more of these items, GSA and CBP likely still must find funding to address the full range of costs.

GSA has had some success in using alternative delivery methods to support land port projects in the past. For instance, GSA has long-standing authority to accept unconditional gifts of real and personal property from other public or private entities. GSA has used this authority multiple times when state or local governments, and in a few cases private sector entities, have elected to donate land or other real property to GSA in order to realize the economic benefit that comes with a new or expanded land port of entry.

For instance, at the San Luis II port in Arizona, GSA received a donation of land and utilities in support of the site to help make progress on the modernization. In Donna, Texas, the City donated money for design, land for the site of the port, and 180,000 cubic yards of fill dirt for construction. In Columbus, New Mexico, a private landowner donated approximately 10.2 acres of land to GSA near the port site for construction and a bypass road for commercial trucks.

Additionally, Congress has sought to support these efforts by providing for additional donation and reimbursable service authorities. In Fiscal Year 2013, CBP received limited authority to enter into reimbursable service agreements with private sector entities for the provision of certain inspectional services.¹ Congress expanded CBP's ability to execute these reimbursable service agreements in addition to broadening GSA's and CBP's donation acceptance authority in Fiscal Year 2014.²

These authorities present valuable opportunities to support port development. However, these resources have generally been utilized to make modest improvements to existing ports or defray the cost of a major modernization, not to deliver a full-scale upgrade of the type the Administration has requested consistently in the President's budget.

We look forward to working with Congress to further explore these and other flexible authorities and to continue to highlight the importance of these investments.

¹ *Consolidated and Further Continuing Appropriations Act of 2013*, P.L. 113-6, Division D, Title V. Section 560.

² *Consolidated Appropriations Act of 2014*, P.L. 113-76, Division F, Title V. Section 559.

Conclusion

Thank you for the opportunity to speak with you today about our ongoing partnership with CBP and other federal agencies to address the nation's security and economic needs along our borders. I welcome the opportunity to discuss GSA's commitment to strategic investment in the nation's land ports. I am happy to answer any questions you may have.