

TESTIMONY OF

JOHN WAGNER
Acting Assistant Commissioner
Office of Field Operations
U.S. Customs and Border Protection
U.S. Department of Homeland Security

BEFORE

House Committee on Homeland Security
Subcommittee on Border and Maritime Security

ON

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

July 16, 2014
Washington, DC

Chairwoman Miller, Ranking Member Jackson Lee, and distinguished Members of the Subcommittee — thank you for the opportunity to discuss U.S. Customs and Border Protection’s (CBP) efforts to sustain and modernize our Nation’s land ports of entry (LPOEs) to secure and facilitate growing volumes of travel and trade.

CBP is responsible for securing the Nation’s borders at and between ports of entry (POEs), while facilitating the efficient movement of legitimate travel and trade. Later this month, we celebrate the 225th anniversary of the establishment of the U.S. Customs Service and the important role it played in the history of our Nation. Since its merger into CBP in 2003, Customs has remained a part of CBP’s heritage and a significant presence in the continuation of our mission. Today, CBP serves as the frontline in defending the American public against terrorists and instruments of terror and protects our economic security while facilitating lawful international travel and trade. CBP takes a comprehensive approach to border management and control, combining national security, customs, immigration, and agricultural protection into a coordinated whole.

The Office of Field Operations (OFO) is the law enforcement entity within CBP responsible for carrying out CBP’s complex and demanding mission at all POEs. OFO manages the lawful access to our Nation and economy by securing and facilitating international trade and travel. Staffing challenges at the POEs continue to increase as CBP takes on additional mission requirements and as trade and travel volumes continue to grow. To address this ongoing challenge, we have developed a three-part Resource Optimization Strategy that 1) identifies staffing requirements using a Workload Staffing Model; 2) ensures the efficient use of resources by optimizing current business processes; and 3) explores funding strategies to support staffing increases.

The Workload Staffing Model employs a rigorous, data-driven methodology to identify staffing requirements by considering all the activities performed by CBP officers at our POEs, the volume of those activities, and the levels of effort required to carry them out. The most recent results of this model show a need for 4,373 additional CBP officers through Fiscal Year (FY) 2015.

Thanks to the support of Congress, the *Consolidated Appropriations Act, 2014*, P.L. 113-76, included funding for 2,000 new CBP officers. These additional officers will be allocated utilizing the Workload Staffing Model and directed to those ports with the greatest need. While the 2,000 additional officers will bring significant support to our mission, it is important to note that this is a good down payment, but unfortunately, no POE will be “made whole” by this allocation of officers. The President’s FY 2015 Budget request calls for user fee increases that would fund an additional 2,000 CBP officers. Additionally, CBP will continue to pursue transformation efforts, new reimbursement authorities, and partnerships with our stakeholders.

There are more people and goods coming through our ports of entry than ever before. Since 2009, we have seen growth in both trade and travel and we expect these trends to continue. Every year, OFO facilitates the travel of tens of millions of international tourists visiting our Nation. In FY 2013, CBP inspected more than 360 million travelers at our air, land, and sea POEs. The facilitation and security of lawful travel and trade is a priority for CBP and we are taking steps, working closely with our stakeholders, Congress, and the U.S. General Services Administration (GSA), to improve our POEs and our security and facilitation efforts. At CBP, we view effective and efficient security as a contributor to facilitation, and not a barrier. Security measures are vital to protecting travel and trade from the damaging effects of terrorist or other security incidents. Our goals of national security and economic prosperity are fundamentally intertwined.

CBP's role in securing and facilitating international trade and travel is critical to the growth of our economy and the creation of more jobs. The extent to which wait times affect the local and national economy was most recently studied by the National Center for Risk and Economic Analysis of Terrorism Events (CREATE), a Department of Homeland Security (DHS) Center of Excellence. CREATE issued "The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry"¹ in March 2013. Their analysis of 17 major passenger land crossing POEs, 12 major freight crossing POEs, and four major passenger airport POEs, found that an increase or decrease in staffing at the POEs has an impact on wait times and, therefore, on the U.S. economy. More specifically, adding a single CBP officer at each of the 33 studied border crossings equates to annual benefits of a \$2 million increase in Gross Domestic Product, \$640,000 saved in opportunity costs, and 33 jobs added to the economy per officer added.

More than half of the Nation's 329 official POEs are located along the U.S. land borders with Mexico and Canada. Most of the inspection facilities at our 167 LPOEs² were not designed to meet the post-9/11 security and operational missions of CBP. Rather, they were built to support the distinct operations of pre- DHS components, such as the U.S. Customs Service, the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, and the U.S. Immigration and Naturalization Service.

Today, CBP's operations entail sophisticated targeting and communication systems, state-of-the-art detection technology, and a cadre of professional law enforcement personnel to identify, screen, and inspect high-risk persons and cargo and maintain an efficient stream of cross-border travel and trade. However, the success of our operational strategy depends heavily on the condition and operational utility of the inspection facilities and the availability of CBP personnel.

¹ "The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry," National Center for Risk and Economic Analysis of Terrorism Events (CREATE), University of Southern California, released April 4, 2013 (dated March 31, 2013).

² LPOEs include all at-grade and bridge land port inspection facilities. These land port inspection facilities fall within the POE definition under 8 CFR § 100.4(a).

Several LPOEs were built more than 70 years ago and require renovation or replacement to meet present-day operational and security standards. Many constructed as recently as 15 to 20 years ago also require significant modernization to address growing demands for additional processing capacity, new security requirements and enforcement technologies, and the need to maximize the efficiency of existing personnel and resources.

To construct and sustain CBP's LPOE inspection facilities, CBP works in close partnership with the GSA Public Buildings Service, which manages many of the LPOE facilities.

LPOE Modernization Planning Process

CBP employs a multi-step process to plan for all LPOE modernization investments, whether planned for a CBP-owned or a GSA facility. This process includes gathering data using the Strategic Resource Assessment (SRA) process, evaluating identified needs at each POE location, conducting a sensitivity analysis on the initial ranking of needs, and assessing project feasibility and risk. The culmination of this process is a final prioritization of proposed modernization projects and the development of a capital investment plan in coordination with GSA. This capital investment plan divides the project list into feasible annual work plans that reflect the analytical conclusions and incorporate project phasing and funding requirements. CBP and GSA update the capital investment plan annually, taking into account any changes in DHS's mission and strategy, changing conditions at the LPOEs, and any other factors discovered in the course of projects already under way.

CBP and GSA work in close partnership with key federal, state, and local stakeholders to construct and sustain CBP's LPOE inspection facilities. As a matter of coordination, CBP consults affected stakeholder agencies at the onset of project planning and continues this relationship throughout project development and execution.

As the facility operator at all LPOEs, including those owned or leased by GSA, CBP works in close coordination with GSA to identify long-term future investments for funding through the GSA Federal Buildings Fund (FBF). Through this collaborative project team approach, both agencies work to ensure that the available federal funding is directed to the areas of greatest need within the GSA portfolio in accordance with the capital investment plan.

Although stimulus funding appropriated under the *American Recovery and Reinvestment Act* (ARRA), P.L. 111-5, enabled CBP and GSA to fund many large-scale LPOE capital construction and facility improvement projects, significant additional investment is necessary to modernize the entire LPOE portfolio.

Infrastructure enhancements are critical to the improvement of trade and travel facilitation; these changes are necessary to support current traffic volumes and modern technology. Due to the budget environment over the past four years, there have been very limited investments towards modernizing POEs. However, thanks to the support of Congress, CBP received authority to accept reimbursement for activities and donations.

Partnerships with the Private Sector and Government Entities.

CBP is frequently asked by our stakeholders to provide new or additional services at POEs across the country. We recognize the potential economic impact for new or expanded service, and we very much want to support these endeavors. However, due to budget restraints and limited resources, we are not always able to accommodate these requests.

A key aspect of CBP's three-pronged Resource Optimization Strategy is the exploration of partnering with the private sector through such activities as reimbursement and potential acceptance of donations. As part of CBP's Strategy, CBP received authority to enter into agreements under Section 560 of Division D of the *Consolidated and Further Continuing Appropriations Act, 2013*, P.L. 113-6 (Section 560); and Section 559 of Division F of the *Consolidated Appropriations Act, 2014*, P.L. 113-76 (Section 559).

Under Section 560, CBP received authority allowing the Commissioner of CBP to enter into no more than five agreements under certain conditions to provide new or enhanced services on a reimbursable basis in any of CBP's non-foreign operational environments. CBP implemented this authority, entering into agreement with the participating locations³ before the late December 2013 statutory deadline. In the first six months of the program, CBP was able to provide an additional 7,000 CBP officer assignments and opened primary lanes and booths for an additional 18,000 hours at the request of our partners, increasing border processing throughput at U.S. air and land POEs under this program. In January 2014, CBP received additional authority under Section 559, which authorizes CBP to enter into partnerships with private sector and government entities at ports of entry to reimburse the costs of certain CBP services and to accept donations of real and personal property (including monetary donations) and non-personal services.

Both provisions respond to CBP's efforts to find innovative approaches to meet the growing demand for new and expanded facilities and, in particular, the ongoing modernization needs of CBP's LPOE portfolio.

³ The Section 560 participating partners are the Dallas/Fort Worth International Airport Board, the City of El Paso, Miami-Dade County, the City of Houston / Houston Airport System, and the South Texas Assets Consortium.

Reimbursable Services Agreements

Section 559(e) expands CBP's authority, under a five-year pilot program, to enter into reimbursable agreements similar to the FY 2013 "Section 560" authority. This new authority allows CBP to support requests for expanded services including customs, agricultural processing, border security services, and immigration inspection-related services at POEs; salaries for additional staff; and CBP's payment of overtime expenses at airports. While there is no limit on the number of agreements CBP can enter into at CBP-serviced seaports or land border ports, only five agreements per year are currently allowed at new or existing CBP-serviced airports for each of the five years the pilot program is authorized. Additionally, the law stipulates that agreements may not unduly and permanently impact existing services funded by other sources.

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

RSAs enable stakeholders to identify enhanced services needed to facilitate growing volumes of trade and travel at specific POEs, and enables CBP to receive reimbursement so that we can fulfill those requirements. The authority provides stakeholders and CBP the flexibility to meet situational or future demand for extended or enhanced services to secure and facilitate the flow of trade or travel at participating ports. At LPOEs this authority enables CBP to open and staff additional lanes or provide services for extended hours to reduce wait times and expedite commercial and personal traffic. At airports, RSAs enable CBP to staff additional booths and accommodate additional flights, or flight arrivals outside of standard operational hours, on an overtime basis. Accommodating additional flights means increased travel and tourism revenue for an airport or a region.

Donation Acceptance Authority

Section 559(f), the Donation Acceptance Authority, authorizes CBP and GSA to accept donations of real or personal property (including monetary donations) or non-personal services from private sector or Government entities. Any donation accepted may be used only for necessary activities related to the construction, alteration, operation, or maintenance of a new or existing POE, including but not limited to: land acquisition, design, equipment and technology.

The Donation Acceptance Authority legislation requires that CBP and GSA: (1) establish criteria that identify and document their respective roles and responsibilities; (2) identify, allocate, and

manage potential risk; (3) define clear, measurable objectives; and (4) publish criteria for evaluating partnership projects.

CBP has been coordinating closely with GSA to meet the Congressional deadline for making donation proposal evaluation criteria available to the public.

Both the Reimbursable Services Authority and the Donation Acceptance Authority enable CBP to build effective partnerships with stakeholders to address the port requirements necessary to support growing volumes of travel and trade.

Conclusion

The effective security of our Nation and facilitation of international trade and travel rely heavily on the health and operational utility of our inspection facilities. The CBP LPOE modernization strategy, in conjunction with GSA program and project management resources, ensures a reliable method for identifying future infrastructure needs and prioritizing projects at LPOEs. Innovative funding sources, such as the Reimbursable Services Authority and the Donation Acceptance Authority, are critical components of CBP's Resource Optimization Strategy. CBP views these authorities as an opportunity to proactively work with stakeholders and communities to identify business solutions for a variety of border management needs, and generate mutual benefits of the secure and efficient flow of travel and commerce.

The combination of highly trained personnel, technology, and modernized facilities form the essential foundation for CBP's operational strategy, which every POE, large or small, must be able to support. CBP continues to evaluate and optimize its primary business processes and will further develop transformation initiatives to accomplish its mission more effectively and efficiently, through practices such as employing technology to streamline processes, expanding Trusted Traveler/Trader Program enrollment, increasing risk segmentation through enhanced targeting/pre-departure initiatives, and leveraging operational best practices.

Legitimate travel and trade play a critical role in the nation's economic growth, and CBP recognizes its role in sustaining such growth. The number of international visitors and overall cross-border traffic is increasing, and CBP is aggressively working on modernizing our infrastructure and transforming the way we do business to more effectively and efficiently secure our Nation and improve our economy.

Chairwoman Miller, Ranking Member Jackson Lee, and Members of the Subcommittee, thank you for the opportunity to testify today. I am happy to answer any questions you may have.