

TESTIMONY OF

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Chairman Miller, Ranking Member Vela, and distinguished Members of the Subcommittee — thank you for the opportunity to discuss U.S. Customs and Border Protection’s (CBP) efforts to partner with our stakeholders 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). 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. Staffing needs 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 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) develops and uses alternative funding mechanisms, such as reimbursement agreements, to support staff increases where appropriate.

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 staffing model also incorporates processing efficiencies gained through business transformation initiatives such as trusted trader and traveler programs and Automated Passport Control kiosks. The most recent results of this model show a need for 2,624 additional CBP officers through Fiscal Year (FY) 2016.

Thanks to the support of Congress, the *Consolidated Appropriations Act, 2014*, P.L. 113-764, and the *Department of Homeland Security Appropriations Act, 2015*, (P.L. 114-4), included funding for additional CBP officers at the POE. These additional officers were allocated utilizing the Workload Staffing Model and were directed to those ports with the greatest need. While these 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. Therefore, CBP continues to pursue transformation efforts and, to the purpose of this hearing today, new partnerships with our stakeholders.

There are more people and goods coming through our POE 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 2014, CBP inspected more than 370 million travelers at our air, land, and sea POEs, 12 million more than in FY 2013.

The facilitation and security of lawful travel and trade is a priority for CBP and we are taking steps, working closely with Congress, our stakeholders, and the U.S. General Services Administration (GSA), to improve our POEs and our security and facilitation efforts to try and meet the needs of those stakeholders that drive our economy. At CBP, we view effective and

efficient security as a contributor to facilitation 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.¹ 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 our inspection facilities and the availability of CBP personnel.

When it comes to constructing and sustaining CBP's land port of entry (LPOE) inspection facilities, CBP works in close partnership with the GSA Public Buildings Service, which manages many of the LPOE facilities. Most of our 167 LPOE inspection facilities² were not designed to meet the post-9/11 unified security and operational missions of CBP. Rather, they were built to support the distinct operations of pre-Department of Homeland Security 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.

Furthermore, several POEs along the land borders 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.

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 competing demands for limited Federal resources, there has been limited investment from the U.S. Government in modernizing POEs. However, thanks to the support of Congress, CBP received authority to accept certain donations at our POEs.

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 limited resources, we are not always able to accommodate these requests.

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).

A key aspect of CBP's three-pronged Resource Optimization Strategy is the exploration of partnering with the private sector on activities such as reimbursement and 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 January 2014, CBP received additional authority under Section 559, which authorizes CBP to enter into partnerships with private sector and government entities at POEs to reimburse the costs of certain CBP services and to accept donations of real and personal property (including monetary donations) and non-personal services. Further, Section 552 of the *Department of Homeland Security Appropriations Act, 2015*, (P.L. 114-4), amended Section 560 and Section 559(e) to allow for certain additional charges at airports.

These 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.

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 inspection, 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; support from other state, local, and federal law enforcement agencies; local/regional economic benefits; and feasibility of program use.

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 Airport System, and the South Texas Assets Consortium.

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 on an overtime basis during peak hours. At seaports, RSAs enable CBP to provide additional processing of cruise passengers and commercial cargo, furthering the facilitation of travel and trade.

In the first 21 months of the program, CBP has entered into agreements with 20 stakeholders, providing more than 112,000 additional processing hours at the request of our partners—accounting for the processing of more than 2.7 million travelers and nearly 425,000 personal and commercial vehicles. Among the participating airports, the added hours and supplementary lane openings, in conjunction with other passenger processing initiatives, have helped decrease wait times by an average of almost 30 percent while traveler volume has increased about 7 percent. The program continues to expand as new agreements are signed every year, as authorized by this 5-year pilot program.⁴

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 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, and the deployment of equipment and technologies. These donations are expected to reduce border wait times, support increased traffic flow and volume, and yield other transportation and security-related benefits.

The Donation Acceptance Authority legislation requires that CBP and GSA establish and publish its procedures and criteria for evaluating donation proposals submitted under Section 559.

CBP and GSA coordinated closely to satisfy this statutory requirement by jointly developing the Section 559 Donation Acceptance Authority Proposal Evaluation Procedures & Criteria Framework, which CBP published on October 1, 2014.⁵ This document outlines the robust operational and technical evaluation criteria that CBP and GSA use to determine proposal viability. These criteria include but are not limited to: the impact to CBP operations, increased trade and travel efficiency, economic and community benefits, financial feasibility, and real estate and environmental implications. This document also describes the procedures that CBP

⁴ A full list of current participants is available at <http://www.cbp.gov/border-security/ports-entry/resource-opt-strategy/public-private-partnerships/reimbursable-services-program>.

⁵ http://www.cbp.gov/sites/default/files/documents/DAA%20Proposal%20Evaluation%20Procedures%20%26%20Criteria%20Framework_Public%20FINAL.pdf.

and GSA use to systematically plan, develop, and formally accept proposed donations in close coordination with its public and private sector partners.

On July 24, 2015, CBP announced that proposals submitted during the FY 2015 open season from the following stakeholders had advanced to Phase II: Proposal Planning & Development – The City of Donna/Donna Rio-Bravo LPOE; the City of Pharr/Pharr LPOE; and the City of El Paso/Ysleta LPOE. During this Phase, CBP, GSA and the project sponsor will collaboratively plan and develop these proposals into executable projects that fulfill CBP’s operational needs at an acceptable cost, schedule, and risk.

In sum, CBP is implementing business improvements, thoroughly and systematically analyzing port of entry staffing needs and exploring alternative sources of funding to bridge current and anticipated mission resource gaps. 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. 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.

The combination of highly trained personnel, technology, and modernized facilities forms 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.

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